

XFlow MARKETS

PULSE

COMMODITY-REPORT

22.09.2023



COFFEE **CMP – \$154.52**

COFFEE traded at \$ 154.57, 0.19% down since previous close. The Coffee prices slid down on Thursday against the strong USD as Fed Powell hinted for hawkish stance with one more rate hike in this year followed by two rate hikes in the year 2024; which may turn out to be negative for Brazilian Real (BRL) currency vis-à-vis Coffee prices. However, the changing climatic conditions in Brazil tuning drought like situation which affects the production & supplies of Coffee beans cushioned the prices; for Brazil is a major producer of beans. As seen in the chart, the Coffee seems to be consolidating near the short- & long-term Moving Averages which shows either side breakout. Sideways trading strategy may be adopted for the day in coffee.

Resistance – \$157.49-\$160.04 **Pivot -\$155.90**
Support – \$153.45-\$151.14 **Expected Trend- Neutral**



SOYBEAN **CMP- \$1297.03**

SOYBEAN is trading at \$1297.03, 0.08% down since previous day close. The changing climatic conditions in Argentina may remain vital for Soybean prices; for Argentina is a top producer of beans. Globally, the Soybean seems to be trading weaker against the strong USD as Fed hinted for hawkish stance with one more rate hike in this year in order to control the stocky inflation rate. This weigh down the agri-commodities since they are inversely correlated with USD. As seen in the chart, the Soybean is consistently trading below the short-term MA (10) & MA (20) & MA (100) & also, near the cluster support which indicates a selling pressure if downside breaches the current level.

Resistance – \$1312.44-\$1329.76 **Pivot -\$1303.22**
Support – \$1286.90-\$1277.28 **Expected Trend- Bearish**



NATURAL GAS **CMP- \$2.841**

Natural Gas is trading at \$2.843, 0.12% up since previous day close. The Natural gas rallied on higher side on Thursday after Russia imposes ban on its fuel exports which might affect the supplies of energy commodities like Crude Oil & Natural gas. This overshadows the negative emerging out of bullish U.S EIA report which shows a rise in Natural Gas inventory levels by 64B higher than previous reading of 57B. This signals for more storage levels. Also, the rising consumption demand of heating fuels from U.S & European regions on account of change in weather conditions. As seen in the chart, the commodity seems to be taking a support of short-term Moving Averages & hence, buying on lower level may be recommended for the day.

Resistance –\$2.921 -\$3.007 **Pivot -\$2.755**
Support – \$2.669-\$2.503 **Expected Trend- Bullish**



COPPER

CMP- \$8209

COPPER traded at \$8209.3, 0.12% down since previous close. The Copper prices tumbled down on Thursday amid strong USD after U.S Fed hinted for hawkish stance with the chances of one more interest rate hike in this year. However, the mixed sentiments amongst the traders & investors may result into flat opening of copper prices today. Last week, the Chinese PBOC cut-down its Reserve Requirement Ratio (RRR) by 25bps which may boost the industrial activities & hence, may increase the demand of copper later on since China is a major consumer of base metals. The result of U.S PMI figures will remain vital for commodities. As seen in the chart, although the copper crossed down the cluster support level yet a wait & watch strategy may be adopted for the day.

Resistance – \$8302-\$8395

Pivot –\$8182

Support- \$8089-\$7969

Expected trend- Sideways

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