
Silver likely to find support near 200 EMA at \$22.470
Warmer weather forecast is keeping Natural gas prices lower
Copper is firm after strike news

SILVER LIKELY TO FIND SUPPORT NEAR 200 EMA AT \$22.470

- ▲ Silver prices are currently trading near \$24.505, holding in range of \$23.7-25.20 from last ten trading session. Weakness in US dollar and stimulus hope from US is likely to provide support to prices.
- ▲ On economic data front, U.S. Oct retail sales rose +0.3% m/m and +0.2% ex-autos m/m, weaker than expectations of +0.5% m/m and +0.6% m/m ex-autos. Conversely, the Nov NAHB housing market index unexpectedly rose +5 to a record of 90 (data from 1985), stronger than expectations of unchanged at 85.
- ▲ Dovish comments from central banks are providing support to bullion prices. U.S. Federal Reserve Chair Jerome Powell said on Tuesday this was not the time to shut down emergency programs aimed at battling the economic fallout from the pandemic and the economy is left with "a long way to go" to recover. Atlanta Fed President Bostic said the slowing in U.S. Oct retail sales might be a sign of a setback in the economy as the Covid pandemic spreads through the U.S. this winter. Also, ECB Governing Council member Visco said, "withdrawing stimulus too early and failure to act timely, if needed, could jeopardize the recovery."
- ▲ Although Silver prices were under pressure due to rising number of covid cases globally. The U.S. has reported more than 100,000 new daily Covid infections for thirteen consecutive days through Monday, and German Chancellor Merkel warned today that the Covid situation in Germany remains "very serious." The worsening pandemic is likely to curb global economic growth.
- ▲ Uncertain trade agreement between European Union and Britain is also likely to keep a lid on silver prices. Prime Minister Boris Johnson warned his top ministers on Tuesday it was far from certain that a trade agreement would be reached with the European Union but that Britain would thrive with, or without, a deal.
- ▲ According to Reuter's news report, Investment in silver coins and bars will hit a five-year High this year and exchange-traded funds will expand their hoard by 350 million ounces to a record 1.1 billion ounces

Outlook

- ▲ Silver prices are likely to find support near 100 days EMA at \$23.96 and 200 days EMA at \$22.470, meanwhile critical resistance could be seen near \$25.12-27.37.

WARMER WEATHER FORECAST IS KEEPING NATURAL GAS PRICES LOWER

- ▲ Natural Gas December contract prices dropped to nearly five month low, driven by the outlook of warmer-than-normal US temperatures. The Commodity Weather Group on Monday said that the number of heating degree days is seen at 275 for November, well below the 10-year average of 316. Also, Europe's Copernicus Climate Change Service forecast warmer-than-normal weather this winter in the U.S. Southwest and along the Gulf Coast.
- ▲ US total consumption of natural gas on Friday was down -29% y/y at 75.8 bcf. Reduced demand from electricity providers is also negative for prices; the U.S. electricity output for the

week ending Nov 7 was down -4.4% y/y at 68,843 GWh (gigawatt-hours).

- ▲ According to Bloomberg data, U.S. lower-48 state dry gas production today is down -4.6% y/y at 90.6 bcf/d. Production data report is supportive for NG price.
- ▲ Official Natural gas inventories report will be released on Thursday meanwhile last week Inventories are up +5.2% y/y and are +4.7% above the 5-year average.

Outlook

- ▲ Natural Gas December expiry contract is likely to find support at 100 days EMA at \$2.49, we expect down trend in natural gas to continue further if it trades below this level, meanwhile key resistance is likely to be seen near \$2.81

COPPER IS FIRM AFTER STRIKE NEWS

- ▲ Copper prices are trading firm near \$7136 per ton on LME after strike news at Chile's Candelaria copper mine. One of the unions on strike rejected a contract offer from the company. The Candelaria Union rejected the proposal by a vote of 366 to 159, said union head Evelyn Walter. Candelaria produced 111,400 mt of copper in 2019.
- ▲ Fresh lockdown worldwide is likely to keep Copper prices under pressure after concerns grew over rising COVID-19 cases worldwide. It has prompted fresh lockdowns in the United States and Europe which will halt economic recovery.
- ▲ China is launching a yuan-denominated copper futures contract this week that will be open to foreign traders, moving to wrest some pricing power away from the LME benchmark
- ▲ As per Reuters report, Chile's Codelco has managed to roll over its premium for copper supply with a South Korean customer at the current rate of \$83 a tonne into next year. Codelco has already rolled over its China premium at \$88 a tonne with one major buyer and it is making good progress on signing up other customers in the country.
- ▲ Copper inventory at LME monitored warehouses have dropped by -1325 mt, as on November 17. LME inventory now stand at 161700 mt which have dropped by -63075mt in last one year but increased nearly 51700mt in last three month as on November 17.

Outlook

- ▲ LME 3 month contract is likely to find support around 20 days EMA at \$6907 and 50 days EMA at \$6786 per mt. Meanwhile immediate resistance level could be seen around \$7258-7331 per mt

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