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Gold extends its record rally  
Crude oil prices are up after an API inventory report  
Aluminium at the highest point since January 2020

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## GOLD EXTENDS ITS RECORD RALLY

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- ▲ Gold prices are sustaining above the \$2,000 mark, following weakness in the US dollar, and hope for a US stimulus.
- ▲ Coronavirus cases continue to surge in the United States. Meanwhile, the global tally stood at more than 18.41 million.
- ▲ The United States is making progress on a new economic stimulus package. Democrats have called for a \$3.4tn stimulus package, but Republicans have said that they would only support a smaller deal. Negotiations between congressional Democrats, and the White House, on a new round of coronavirus relief, have begun to move in the right direction. Most US lawmakers agree on the need for another round of direct payments to Americans of up to \$1,200 per adult.
- ▲ Geopolitical issues are also lending support to gold prices. A blast in Beirut, has killed dozens, and wounded thousands.
- ▲ On the economic data front, U.S. factory data this week showed an improvement in orders, and all eyes will be on the monthly non-farm payroll data, which will provide further direction. Japan' services sector contracted for a sixth consecutive month in July, data showed on Wednesday.

### Outlook

- ▲ Gold prices may continue to rally towards the next resistance zone of \$2,056 and \$2,077. Meanwhile, key support could be seen near the 5-Days EMA at \$2,002, and the 10-Days EMA at \$1,962. Monthly non-farm payroll data, later this week, and a deal for new stimulus, are likely to keep providing support to the gold prices.

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## CRUDE OIL PRICES ARE UP AFTER AN API INVENTORY REPORT

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- ▲ Crude oil prices traded up, after API reported a drop in US crude oil inventory. As per the API report, Crude inventories were down by 8.6 million barrels for the week ending July 31<sup>st</sup>, to 520 million barrels, against a market forecast of a drop of 3 million barrels. The official government report by EIA will be released later today.
- ▲ Oil prices are also up on hopes of a new economic stimulus package.
- ▲ The Organization of the Petroleum Exporting Countries (OPEC), and its allies, known as OPEC+, were boosting output this month by about 1.5 million barrels per day.

### Outlook

- ▲ Crude oil prices are likely to remain weak on increasing oil supply from OPEC+ nations. Short-term resistance could be seen around \$43.22 per barrel, while key support could be seen at the 50-Days SMA of 39.47. The markets could get further direction from the official weekly inventory report.

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## ALUMINIUM AT THE HIGHEST POINT SINCE JANUARY 2020

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- Aluminium has risen strongly, as the dollar weakness persisted, along with better fundamental prospects. Currently, the metal stands at the highest level since January 2020. Spot premiums in the Chinese market are currently near 10-30 Yuan/mt, which indicates physical demand is pushing prices higher.
- According to SMM, Brazilian Secretariat of Foreign Trade published an announcement on 29th July that it decided to launch an anti-dumping investigation on aluminium sheets products from China.
- Inventory (on warrant) at SHFE has shrunk by 66% from 305,203, to 104,798 mt, while LME inventory has increased by almost 36.00% from 1,014,425, to 1,383,175 mt, since 1st April 2020; this has given rise to the prices in China being at a premium to that in London. Parity, which is the difference between the SHFE and the LME, after calculating for the VAT, and the currency, is currently trading at 767 Yuan, indicating a strong trend for Chinese aluminum, driven by fundamental demand for the metal.

### Outlook

- Aluminium is trading above the 20-day SMA in a higher high, higher low formation, indicating the trend to be positive. Aluminium could rise further towards \$1,795 & \$1,820 levels, while support is seen at \$1,725 & \$1,695 levels.

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Prepared by:

Mr. Kamlesh Jogi | Market Research Analyst

email: [kamlesh.jogi@abans.co.in](mailto:kamlesh.jogi@abans.co.in)

Phone: +91 22 68354176 (Direct)

Abans Broking Services (P) Limited

36, 37, 38A, 3rd Floor, 227 Nariman Bhavan, Backbay Reclamation, Nariman Point, Mumbai-400 021

Phone +91 22 61790000 | Fax +91 22 61790000

Email: [info@abans.co.in](mailto:info@abans.co.in) | Website: [www.abans.co.in](http://www.abans.co.in)

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