



Weekly Commodity Insights

The Week That Was

- Spot Gold retreated from a record high of \$2,483, relinquishing their weekly gains of over 3% and closing slightly lower by 0.4%. The recovery of the dollar index dampened gold's appeal; however, the long-term outlook for gold remains favorable due to weakening macroeconomic data and a cooling-off in US inflation, which are reviving expectations for the Fed to begin cutting interest rates in September. Additionally, political volatility could result in an upward surprise for gold, with President Biden exiting the presidential race, gold, traditionally seen as a haven for investors, is likely to attract bids.
- Silver prices failed to hold the \$30 support level and settled below it, impacted by a sell-off in industrial metals and the recovery in the greenback. The metal plunged over 5%, marking its largest weekly correction since April 2022. The Third Plenum in China, a top consumer of silver, failed to excite investors hoping for new stimulus measures. The US Fed is expected to deliver multiple interest rate cuts this year, potentially boosting global growth and commodities demand. Investors will closely watch U.S. economic data this week for cues on the Fed's rate hike trajectory.
- Crude oil has seen plenty of volatility in the last two weeks, with the recent 4% plunge marking the steepest weekly decline since April. This decrease was driven by a stronger dollar and concerns over China's economic outlook, which overshadowed a tighter supply forecast. China's economy grew by a slower-than-expected 4.7% in the second quarter, raising concerns about its oil demand. Additionally, renewed hopes for a ceasefire in Gaza influenced market dynamics.
- Copper fell 7.5% percent last week – it was the largest weekly drop since July 2022 – and dropped to a three-month low. This decline was attributed to bearish market sentiment, increased inventories at the LME, and weak demand from China. Investors hoped for positive outcomes from China's Third Plenum, but the event failed to deliver details on further stimulus measures despite weaker-than-expected economic growth data for the second quarter. Moving forward, the market's focus will be on the upcoming Advance GDP data and the Core PCE Price Index data.

Summary View For The Week

Metric	MCX Gold	MCX Silver	MCX Crude	MCX Copper
Weekly Candle Pattern (+/-2)	Shooting Star	None	Evening Star	Bearish Marubozu
Candle Takeaway	Negative	None	Negative	Negative
Daily Momentum (+/-1)	Negative	Negative	Positive	Negative
Weekly Momentum (+/-1)	Positive	Negative	Positive	Negative
Seasonality Trend For The Week (+/-1)	Negative	Negative	Negative	Positive
*Money Managers' Positioning (+/-1)	Positive	Negative	Positive	Positive
Options Skew (Now v/s 1w ago) (+/-2)	Negative	Negative	Negative	Negative
ATM Volatility Behavior (+/-1)	Negative	Positive	Negative	Positive
Correlation with USDX (v/s 1w ago)	More negative	More negative	More negative	More negative
Range for Upcoming Week	71,749-74170	86,206-92,710	6,520-6,916	786.7-852.7
Trendscore and Regime	-5 (Bearish)	-5 (Bearish)	-3 (Mild Bearish)	-3 (Mild Bearish)

Understanding The Insights



Range for the Week: Derives the most likely trading range for the week for US front-month futures based on option volatilities



Weekly % Change: Bars represent weekly percentage change showing price volatility over a 26-week period



Daily/Weekly Candles: Offers context from daily candles (3 months) and weekly candles (12 months)



Daily/Weekly Momentum: Shows the current state of price momentum using the slow stochastic oscillator



Seasonal Analysis: Bars show the performance during the current week based on decade-long data for Comex/Nymex



Money Managers' Positioning: Long and short futures positioning of money managers (based on *COT data)



Options Skew: Shows how the demand for OTM calls and OTM puts today (white) has changed from one week prior (red)



Open Interest Insights: Top 5 calls and puts ranked by open interest change both for front-month contracts on Comex/Nymex

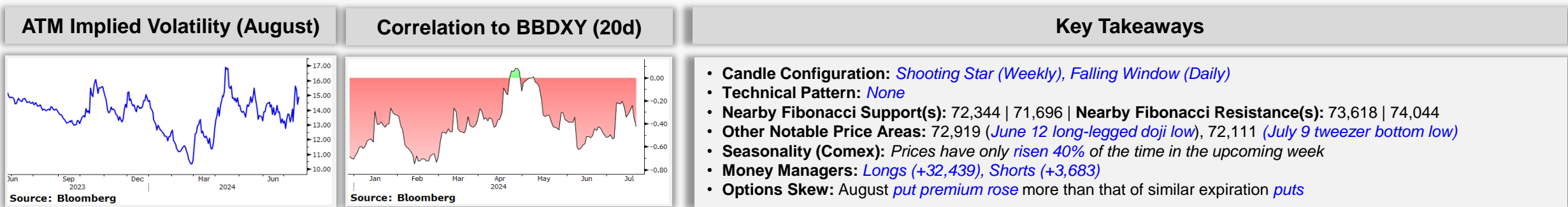
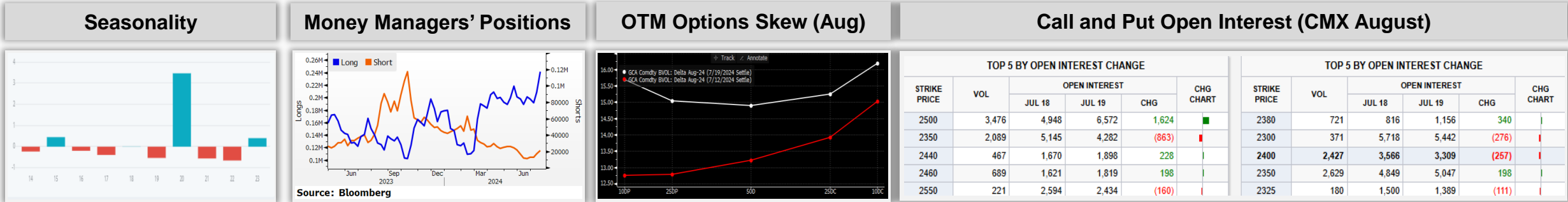
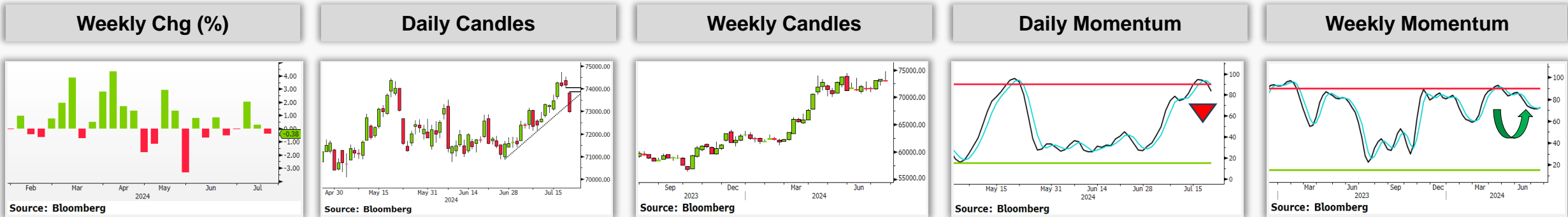


Implied Volatility: Shows the 12-month trend for one-week At-the-Money (ATM) implied volatility



Correlation: Captures the 20-day rolling correlation of each commodity to the Bloomberg Spot Dollar Index

CMP and Weekly % Change		Previous Week's Range	Range for the Week (\$)	Daily	Weekly	Monthly
72,990	-0.4	72,930 – 74,731	\$2,394 - \$2,508	▼	▲	▲



CMP and Weekly % Change

89,646 -3.7

Previous Week's Range

89,270 – 94,054

Range for the Week (\$)

\$28.20 - \$30.70

Daily



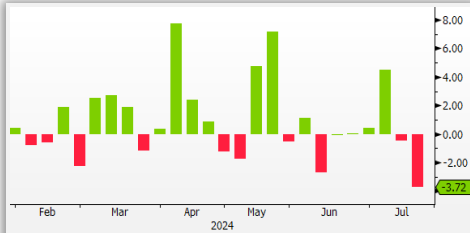
Weekly



Monthly



Weekly Chg (%)



Source: Bloomberg

Daily Candles



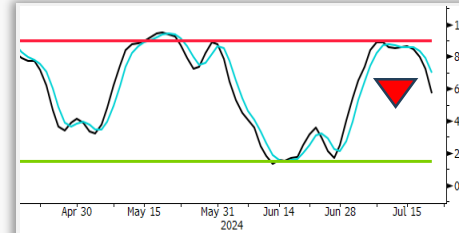
Source: Bloomberg

Weekly Candles



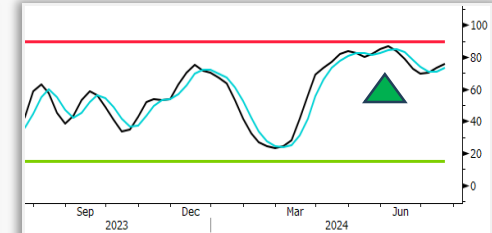
Source: Bloomberg

Daily Momentum



Source: Bloomberg

Weekly Momentum

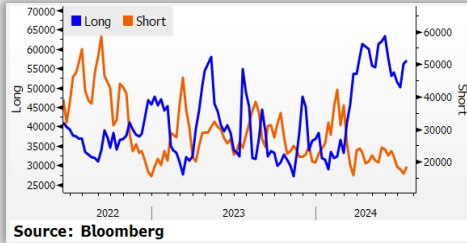


Source: Bloomberg

Seasonality

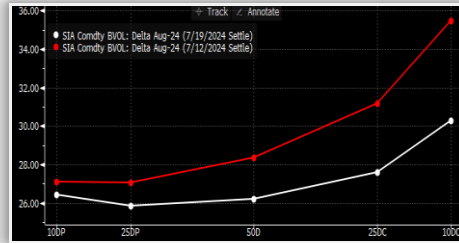


Money Managers' Positions



Source: Bloomberg

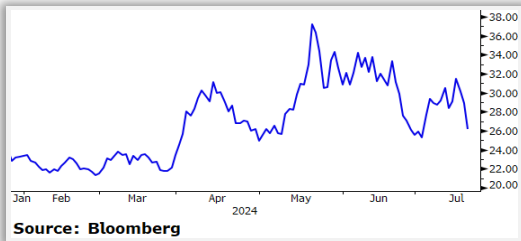
OTM Options Skew (Aug)



Call and Put Open Interest (CMX August)

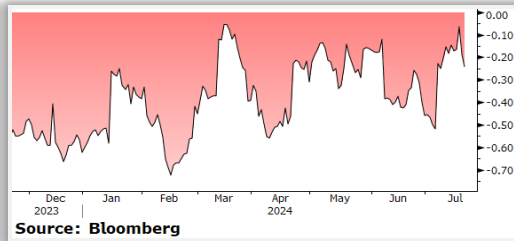
TOP 5 BY OPEN INTEREST CHANGE						TOP 5 BY OPEN INTEREST CHANGE					
STRIKE PRICE	VOL	OPEN INTEREST			CHG CHART	STRIKE PRICE	VOL	OPEN INTEREST			CHG CHART
		JUL 18	JUL 19	CHG				JUL 18	JUL 19	CHG	
31.75	192	561	437	(124)	29	397	756	928	172		
31.5	121	592	543	(49)	29.5	247	951	846	(105)		
31	297	1,904	1,860	(44)	28.75	220	849	749	(100)		
40	79	604	639	35	28.5	202	776	694	(82)		
30.5	151	271	300	29	28.25	180	655	577	(78)		

ATM Implied Volatility (Aug)



Source: Bloomberg

Correlation to BBDXY (20d)



Source: Bloomberg

Key Takeaways

- **Candle Configuration:** *None*
- **Technical Pattern:** *Potential head-and-shoulders formation with rising neckline*
- **Nearby Fibonacci Support(s):** 89,377, 87,960 | **Nearby Fibonacci Resistance(s):** 91,302 | 92,558
- **Other Notable Price Areas:** 88,420 (*June 27 gap-up area low*), 87,365 (*June 26 gap-up area high*)
- **Seasonality (Comex):** Prices have *advanced only 30% of the time in the upcoming week*
- **Money Managers:** *Longs (+999), Shorts (+2,164)*
- **Options Skew:** Aug *call premium dropped more* compared to similar expiration *puts*

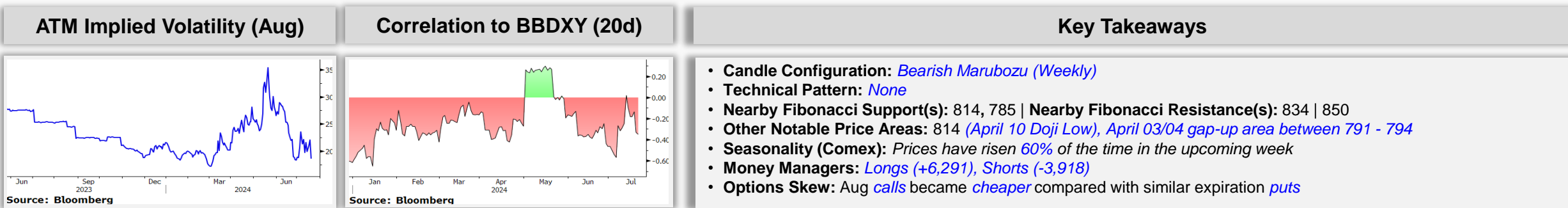
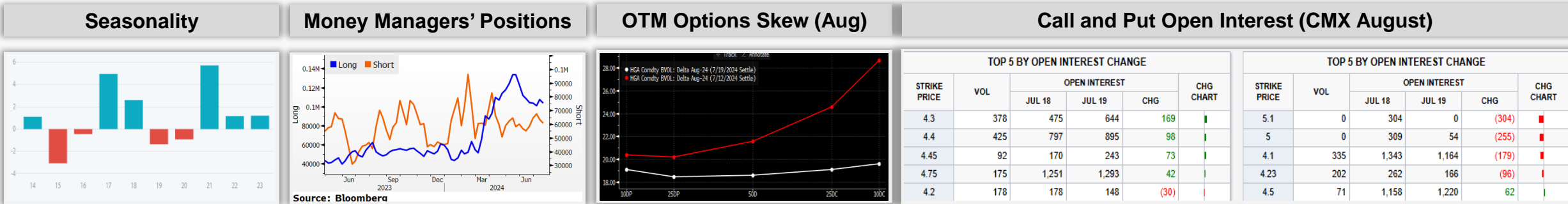
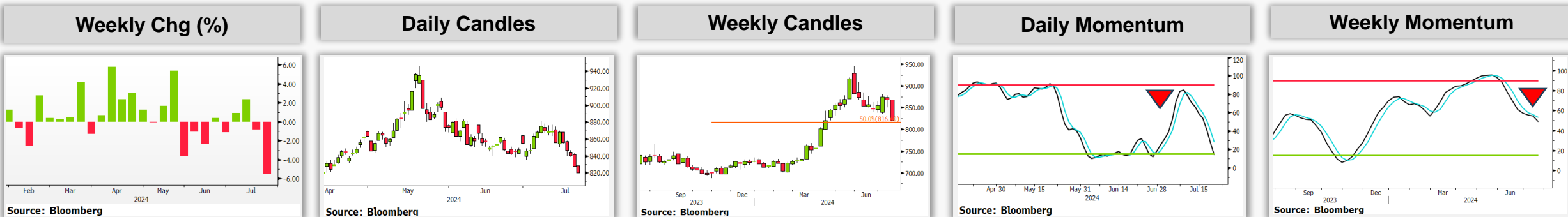
CMP and Weekly % Change		Previous Week's Range	Range for the Week (\$)	Daily	Weekly	Monthly
6,725	-2.4	6,712 – 7,006	\$78.30 - \$82.25	▼	▲	▲

Weekly Chg (%)	Daily Candles	Weekly Candles	Daily Momentum	Weekly Momentum
Source: Bloomberg	Source: Bloomberg	Source: Bloomberg	Source: Bloomberg	Source: Bloomberg

Seasonality	Money Managers' Positions	OTM Options Skew (Sept)	Call and Put Open Interest (NMX September)																																																																																										
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ATM Implied Volatility (Sept)	Correlation to BBDXY (20d)	Key Takeaways
		<ul style="list-style-type: none"> Candle Configuration: <i>Evening Star (Daily)</i> Technical Pattern: <i>None</i> Nearby Fibonacci Support(s): 6,562, 6,447 Nearby Fibonacci Resistance(s): 6,772 6,826 Other Notable Price Areas: 6,491 (<i>June 13 low</i>), 6,863 (<i>July 18 gap-down low</i>) Seasonality (Comex): Prices have rallied only 44% of the time in the coming week (In 2021, they were unchanged) Money Managers: <i>Longs (+5,148), Shorts (-3,341)</i> Options Skew: Sept <i>puts rose more</i> compared with similar expiration <i>calls</i>
Source: Bloomberg	Source: Bloomberg	

CMP and Weekly % Change	Previous Week's Range	Range for the Week (\$)	Daily	Weekly	Monthly
820.30 -5.5	819.15 – 868.35	\$4.09 - \$4.39	▼	▼	▼



Things To Know



Momentum can remain very high or very low for a very long period in strongly trending markets



Trends on higher time-frames are stronger when compared to those on lower time frames



The strongest moves occur when at least two time-frames are aligned in the same direction



Pay close attention when historical seasonality patterns are in-sync with the prevailing trend direction



Simply being overbought is no indication to sell; similarly, simply being oversold is no indication to buy



The COT report comes every Friday at 3:30 PM (EST) and reflects positioning as of the previous Tuesday



Options skew shows whether there is more demand for OTM calls or puts today (white), compared with one week ago (red)



Top 5 most active calls and puts relate to the front-month, active contract



When ATM Implied Volatility is rising (falling) it shows more (less) demand for ATM calls and puts

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