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Gold retreats as investors eye key US job and inflation data this week

Comex Gold futures steady near \$2,670 per ounce after a slight uptick as the market absorbed comments from Fed Chair Jerome Powell. Powell indicated a cautious approach to further rate cuts, setting the stage for the upcoming nonfarm payroll data release on Friday. This data will be crucial in shaping the Federal Reserve's interest rate decision in December. The gold has declined by 5% from its record high in late October, influenced by the rally in the US dollar following the recent election and easing tensions in the Middle East.

WTI oil prices stabilized near the \$70 per barrel mark after a recent decline. Currently, market participants are keenly awaiting the upcoming OPEC+ meeting on Thursday, where the cartel is expected to maintain its current output policy and potentially delay any production increase to prevent a potential supply glut in 2025. While commercial oil inventories saw a significant drawdown by 5.1 million barrels for the week to November 29, domestic oil production reached a record high, highlighting the resilience of non-OPEC+ producers. The US currently produces over 13.5 million barrels per day, surpassing Saudi Arabia's output of approximately 9 million barrels per day.

LME copper prices have seen a moderate uptick, trading near \$9,099 per ton primarily driven by market speculation surrounding potential stimulus measures from the Chinese government during crucial political meetings this month. The recent omission of a readout from the November Politburo meeting has intensified these expectations, as China grapples with economic uncertainties exacerbated by the incoming US administration. Meanwhile, recent data indicating an expansion in Chinese manufacturing activity for the second consecutive month has bolstered the demand outlook for copper. However, the potential impact of US trade policies, including threats of tariffs on BRICS nations, remains a key risk factor for the base metals. LME Lead and Zinc are up by over 0.40% to trade near \$ 2,093 per ton and \$3,109 per ton respectively.

European natural gas prices rose as much as 2.1% today after posting the biggest daily drop since early November on Wednesday driven by the anticipation of colder weather conditions in Western Europe. As temperatures are expected to plummet to near-freezing levels next week, and potentially persist into early January, demand for heating is set to increase, putting additional strain on the region's energy systems. 1 This heightened demand has led to a surge in natural gas prices.

Investors focus will now shift to Fed speakers, Jobless Claims and trade balance to be released today.

Date	IST	Currency	Data	Forecast	Previous
05-Dec-24	18:00	USD	Challenger Job Cuts y/y		50.9%
	19:00	USD	Unemployment Claims	215K	213K
	19:00	USD	Trade Balance	-75.2B	-84.4B
	21:00	USD	Natural Gas Storage	-38B	-2B

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2603.5	2626.4	2633.5	2645.0	2656.4	2663.5	2686.4
	MCX Gold Feb	75937	76505	76680	76964	77248	77423	77991
	Spot Silver	30.37	30.90	31.07	31.33	31.59	31.76	32.28
	MCX Silver Mar	90905	92115	92488	93093	93698	94071	95281
	MCX Copper Dec	813.4	820.0	822.0	825.4	828.7	830.7	837.3
	MCX Zinc Dec	284.1	287.2	288.1	289.7	291.2	292.1	295.2
	MCX Lead Dec	181.2	182.2	182.4	182.9	183.4	183.6	184.6
	MCX Aluminium Dec	242.5	244.5	245.2	246.2	247.1	247.8	249.8
	MCX Crude Oil Dec	5682	5777	5807	5855	5903	5933	6028
	MCX Natural Gas Dec	246.90	256.24	259.13	263.80	268.47	271.36	280.70

Source: Bloomberg, KS Commodity Research

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BUY	We expect the commodity to deliver 1% or more returns
SELL	We expect the commodity to deliver (-1%) or more returns
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NOTE - The recommendations are valid for one day from the date of issue of the report, subject to mentioned stop loss, if any	

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