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December 23, 2024

Gold prices steady amid softer U.S. Inflation reignite hopes that the Fed might deliver more rate cuts than projected.

COMEX gold holds steady near \$2,640 per ounce as traders assess the monetary policy outlook following softer-than-expected inflation data. The Federal Reserve’s preferred inflation gauge came in below expectations, the personal consumption expenditures (PCE) price index rose 0.1% in November and 2.4% year-on-year, rekindling hopes of interest-rate cuts in 2024.

WTI crude continues its recovery, trading near \$70 per barrel, as easing U.S. inflation concerns alleviated fears of limited rate cuts next year. However, global demand uncertainties persist. Markets also digested remarks from Donald Trump about reclaiming U.S. control of the Panama Canal, alongside his threats of tariffs on Canada, Mexico, China, and the European Union, if the bloc doesn’t buy more US oil and natural gas coupled with the avoidance of a government shutdown. Supply concerns in Europe eased as the Druzhba pipeline resumed operations following technical issues.

LME base metals rebounded on Monday, recovering from last week’s slump, as weaker U.S. inflation data softened fears of a more hawkish Federal Reserve. LME copper bounced from its three-month low, supported by a weaker dollar and hopes for stronger Chinese industrial demand. The softer November PCE data reignited speculation that the Fed might deliver more rate cuts than projected, boosting sentiment across base metals despite lingering concerns over U.S. manufacturing.

European natural gas prices rose for a third consecutive session, climbing as much as 1.6% on Monday. The advance follows a 7% jump last week amid growing uncertainty over the renewal of a key pipeline transit deal between Russia and Ukraine, set to expire on Dec. 31.

It is a light data day, as market focus will shift to US consumer confidence data.

| Date | IST | Currency | Data | Forecast | Previous |
|-----------|-------|----------|------------------------|----------|----------|
| 23-Dec-24 | 20:30 | USD | CB Consumer Confidence | 112.9 | 111.7 |

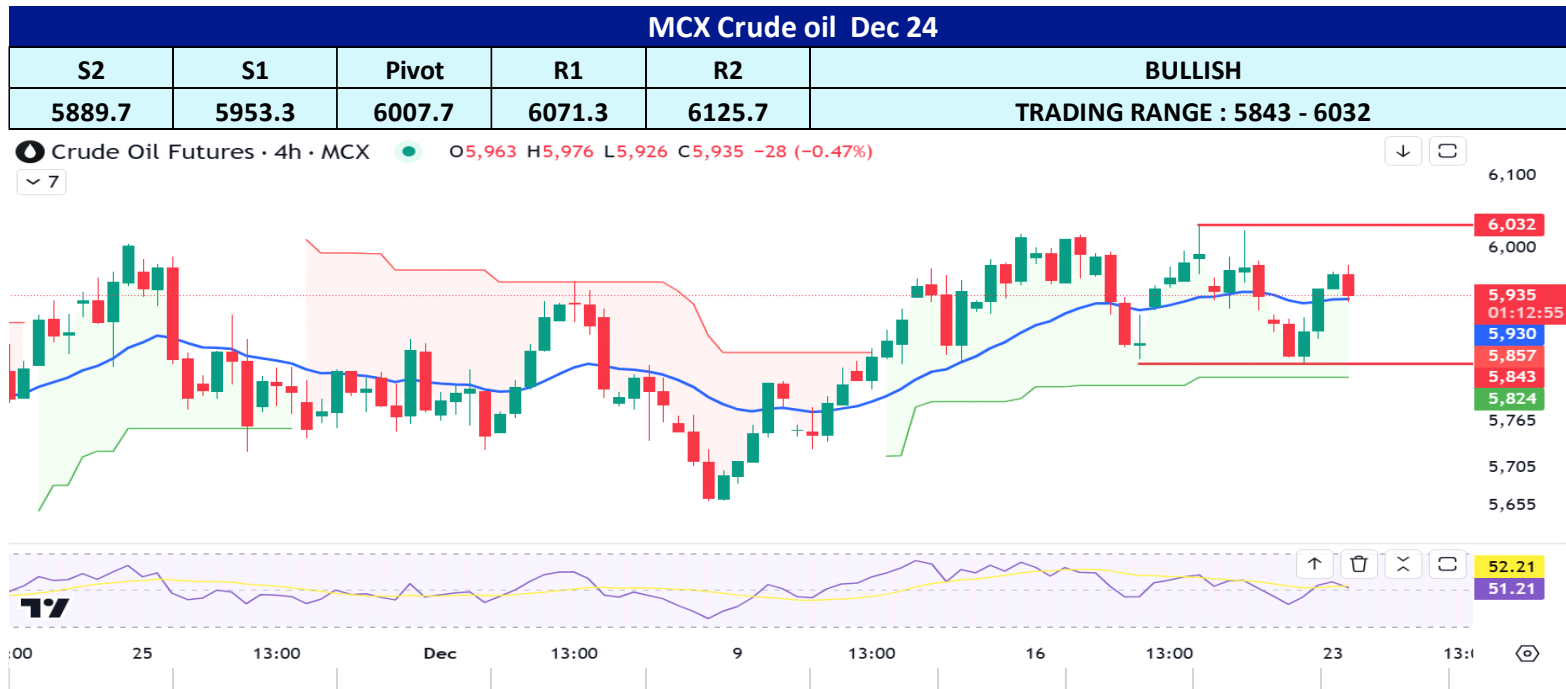
Source: Forex factory

Evening Track

| | Commodity | Support 3 | Support 2 | Support 1 | LTP | Resistance 1 | Resistance 2 | Resistance 3 |
|-------------|---------------------|-----------|-----------|-----------|--------|--------------|--------------|--------------|
| Commodities | Spot Gold | 2568.1 | 2596.4 | 2605.2 | 2619.4 | 2633.5 | 2642.3 | 2670.6 |
| | MCX Gold Feb | 75216 | 75813 | 75997 | 76295 | 76593 | 76777 | 77374 |
| | Spot Silver | 28.59 | 29.17 | 29.35 | 29.64 | 29.93 | 30.11 | 30.68 |
| | MCX Silver Mar | 86367 | 87809 | 88254 | 88975 | 89696 | 90141 | 91583 |
| | MCX Copper Dec | 787.1 | 793.9 | 796.0 | 799.4 | 802.8 | 804.9 | 811.7 |
| | MCX Zinc Dec | 276.4 | 279.3 | 280.2 | 281.7 | 283.2 | 284.1 | 287.0 |
| | MCX Lead Dec | 174.5 | 175.7 | 176.1 | 176.7 | 177.3 | 177.7 | 178.9 |
| | MCX Aluminium Dec | 242.2 | 244.0 | 244.5 | 245.4 | 246.3 | 246.8 | 248.6 |
| | MCX Crude Oil Jan | 5776 | 5853 | 5877 | 5915 | 5953 | 5977 | 6054 |
| | MCX Natural Gas Dec | 305.82 | 318.97 | 323.03 | 329.60 | 336.17 | 340.23 | 353.38 |

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



RATING SCALE FOR DAILY REPORT

| | |
|---|--|
| BUY | We expect the commodity to deliver 1% or more returns |
| SELL | We expect the commodity to deliver (-1%) or more returns |
| SIDEWAYS | We expect the commodity to trade in the range of (+/-)1% |
| 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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