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Gold rallies to record high on safe haven bids and election jitters

Comex Gold prices surged to a new all-time high of \$2,729.30 an ounce, driven by escalating tensions in the Middle East and the upcoming US presidential election. Geopolitical tensions in the Middle East, following the killing of a Hamas leader, intensified investor concerns and boosted gold's appeal. Meanwhile, the approaching US election added to market volatility coupled with expectations of further interest rate cuts from major central banks also supports gold prices. The ECB's decision to lower interest rates to 3.25% and its acknowledgment of the ongoing disinflationary process provided additional support. However, strong economic data from the US may tempered the rally, suggesting that the Fed might adopt a less dovish stance on interest rates.

WTI Crude oil down by more than 1.30% on Friday, hovering below \$70 per barrel and poised for a significant weekly decline, largely driven by concerns over weakening demand and a potential global surplus. The IEA and OPEC had recently lowered their demand forecasts, citing weaker-than-expected consumption, particularly from China. The Chinese government's housing-policy announcement on Thursday also failed to provide the much-needed stimulus, further dampening demand prospects. Meanwhile, tensions in the Middle East continued to contribute to market volatility. The killing of a top Hamas leader by the Israeli military raised fears of regional escalation, although Israel has assured it would avoid targeting Iran's oil facilities. Despite these geopolitical risks, oil prices found some support from a surprise decline in US crude inventories.

LME base metals gain on Friday after the PoBC unveiled fresh measures to support markets after the release of third-quarter GDP data, which revealed the slowest growth rate since March 2023, despite signs of stabilization. The central bank's actions boosted optimism about Beijing's commitment to economic stimulus, sending stocks higher. LME Copper, aluminum and Zinc up by more than 0.50% today.

European natural gas prices retreated on Friday, marking a potential second consecutive weekly decline as mild weather forecasts, extending through the month's end, have tempered heating demand, allowing gas inventories to remain comfortably high. Analysts attribute this recent price decrease to a delayed heating season, similar to last year. While colder conditions are anticipated later in October and early November, the region's current stockpiles offer a degree of resilience

Today, investors now await U.S. housing data for further economic insight.

Date	IST	Currency	Data	Forecast	Previous
18-Oct-24	18:00	USD	Building Permits	1.45M	1.48M
	18:00	USD	Housing Starts	13.5M	1.36M
	19:40	USD	FOMC Member Waller Speaks		

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2647.2	2667.1	2673.2	2683.2	2693.1	2699.3	2719.2
	MCX Gold Dec	75930	76405	76551	76789	77027	77173	77648
	Spot Silver	30.53	31.16	31.35	31.67	31.98	32.18	32.80
	MCX Silver Dec	89200	90560	90980	91660	92340	92760	94120
	MCX Copper Oct	792.7	802.6	805.6	810.6	815.6	818.6	828.5
	MCX Zinc Oct	270.1	274.7	276.1	278.4	280.6	282.0	286.6
	MCX Lead Oct	178.9	180.6	181.1	182.0	182.9	183.4	185.1
	MCX Aluminium Oct	228.9	232.3	233.3	235.1	236.8	237.8	241.2
	MCX Crude Oil Oct	5662	5814	5862	5938	6014	6062	6214
	MCX Natural Gas Oct	186.62	193.41	195.51	198.90	202.29	204.39	211.18

Source: Bloomberg, KS Commodity Research

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Source: Trading View

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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