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Commodities steady ahead of US inflation numbers

Comex Gold inched up towards \$2,615 an ounce, following a recent decline post a dollar surge after the US Presidential elections. The strengthening dollar, now at a two-year high, has made dollar-denominated commodities like gold more expensive for international buyers. Hedge funds have reduced their bullish bets on gold, and ETF inflows have slowed as investors shift focus to US equities. Despite a 6% correction from its all-time high in October, gold is still up significantly this year. Factors such as the Fed's monetary easing, central bank buying, and geopolitical/economic uncertainties continue to support the yellow metal's safe-haven appeal.

WTI Crude Oil edged up to \$68.70 per barrel on Wednesday, supported by potential short-term supply constraints. However, prices remained near a two-week low following OPEC's revised global oil demand growth forecast for 2024 and 2025. In its latest monthly report, OPEC lowered its 2024 demand growth estimate to 1.82 million bpd from the previous month's projection of 1.93 million bpd, primarily due to weaker-than-expected Chinese demand. Additionally, the organization trimmed its 2025 demand growth forecast to 1.54 million bpd from 1.64 million bpd. The International Energy Agency is scheduled to release its updated demand outlook on Thursday.

LME base metals steadied in today's trade after a three-day downturn as investors awaited the release of US inflation data, which could significantly influence the Federal Reserve's forthcoming interest rate decisions. LME Copper Contracts, which had plummeted nearly 6% since Thursday's close, halted their downward trend. The anticipated policies of the Trump fueled a resurgence in the dollar. A stronger dollar typically exerts downward pressure on commodities priced in the currency.

Europe's natural gas declined by up to 2.9% on Wednesday, ending a four-day upward trend. This downturn was triggered by a technical indicator signaling potential price peak. The 9-day Relative Strength Index exceeded 70 on Tuesday, suggesting an impending price decline. Gas futures had recently reached a one-year high due to increased heating demand from colder weather and higher fuel consumption from storage. However, current storage levels at 93% capacity, lower than last year's, have raised concerns about potential rapid depletion.

Today, investors focus on key U.S. economic data CPI that expected to rise slightly from 2.4% to 2.6% YoY, with monthly figures expected to hold steady at 0.2%.

Date	IST	Commodity	Data	Forecast	Previous
13-Nov-24	19:00	Gold	Core CPI m/m	0.3%	0.3%
	19:00	Gold	CPI m/m	0.2%	0.2%
	19:00	Gold	CPI y/y	2.6%	2.4%

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2553.0	2584.5	2594.3	2610.1	2625.9	2635.6	2667.2
	MCX Gold Dec	73814	74546	74772	75138	75504	75730	76462
	Spot Silver	29.73	30.43	30.64	30.99	31.33	31.55	32.24
	MCX Silver Dec	87407	88923	89392	90150	90908	91377	92893
	MCX Copper Nov	785.7	796.9	800.4	806.0	811.6	815.1	826.3
	MCX Zinc Nov	266.1	270.6	272.0	274.3	276.6	278.0	282.5
	MCX Lead Nov	177.8	179.1	179.4	180.1	180.7	181.0	182.3
	MCX Aluminium Nov	231.9	235.0	236.0	237.5	239.0	240.0	243.1
	MCX Crude Oil Nov	5591	5707	5743	5801	5859	5895	6011
	MCX Natural Gas Nov	228.20	236.99	239.70	244.10	248.50	251.21	260.00

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



Source: Trading View

Evening Track

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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