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Gold rise on weak US jobs data, improving rate-cut optimism

Comex Gold prices rose about 0.80% today to trade near \$2,547 an ounce as investors await US labor data for clues on the Federal Reserve's rate-cutting cycle, as investors await the release of US labor data. A recent report showed a decline in job openings, suggesting a cooling labor market. This has strengthened expectations for more aggressive rate cuts by the Federal Reserve. However, the upcoming nonfarm payrolls report is crucial, as it could significantly impact market sentiment.

WTI Crude Oil stabilized near their lowest levels since June 2023 near \$69.40 as an industry report indicated a significant drawdown in US crude inventories. This followed a sharp decline in prices earlier in the week due to concerns about the global economy and ample supply. OPEC+'s decision to delay a planned output increase failed to halt the price slide.

LME base metals have continued their decline amid as recent Chinese economic data highlighted a fragile recovery. However, LME copper have stabilized near \$9,000 per ton after a series of declines. The primary factor driving this downward trend is growing concern over China's economic outlook and its impact on copper demand. A weaker US dollar has provided some support to copper prices, but the overall demand outlook remains weak, especially in China, where factory activity has slowed.

European Natural gas prices have been on a downward trend due to easing concerns about near-term supply shortages. Benchmark futures fell significantly this week, reaching a one-month low. The shift in sentiment comes after gas prices rallied to a 2024 high last month, caused by worries that intensified fighting between Russia and Ukraine — as well as heavy maintenance in top supplier Norway — could curb flows.

For today, investors will be closely monitoring the ADP, Jobless Claims and ISM PMI reports for the Fed's rate-cutting path. The consensus suggests a rise in private sector hiring to 150k jobs in August from 122k in July. Additionally, Jobless claims anticipated to increase to 163k from 114k, while the unemployment rate may decline slightly to 4.2% from 4.3%.

Date	IST	Currency	Data	Forecast	Previous
04-Sep-24	17:45	USD	ADP Non-Farm Employment Change	144K	122K
	18:00	USD	Unemployment Claims	231K	231K
	19:15	USD	Final Services PMI	55.0	55.2
	19:30	USD	ISM Services PMI	51.3	51.4
	20:00	USD	Natural Gas Storage	26B	35B
	20:30	USD	Crude Oil Inventories	-0.6M	-0.8M

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2477.3	2498.7	2505.4	2516.1	2526.8	2533.5	2554.9
	MCX Gold Oct	71054	71541	71692	71935	72178	72329	72816
	Spot Silver	27.73	28.28	28.45	28.72	29.00	29.17	29.71
	MCX Silver Dec	82541	83715	84078	84665	85252	85615	86789
	MCX Copper Sep	770.0	778.5	781.1	785.3	789.5	792.1	800.6
	MCX Zinc Sep	249.9	253.4	254.5	256.3	258.0	259.1	262.6
	MCX Lead Sep	179.5	181.0	181.4	182.2	183.0	183.4	184.9
	MCX Aluminium Sep	214.1	216.9	217.8	219.2	220.5	221.4	224.2
	MCX Crude Oil Sep	5627	5766	5809	5879	5949	5992	6131
	MCX Natural Gas Sep	170.20	176.12	177.94	180.90	183.86	185.68	191.60



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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