

Riteshkumar Sahu (riteshkumar.sahu@kotak.com), Jimesh Chauhan (jimesh.chauhan@kotak.com)

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Commodities rise on softer dollar as market awaits key US economic data

Comex Gold Dec futures climbed to nearly \$2650 per ounce on Wednesday, driven by recent FOMC minutes where Fed officials expressed optimism about easing inflation and a robust labor market, they also indicated a cautious stance on future rate reductions, favoring a gradual approach. Investors are currently leaning towards a 25 basis point rate cut in December, a move that could potentially reduce the opportunity cost of holding gold.

WTI Crude Oil rose above \$69 per barrel on Wednesday, as traders assessed signs of another OPEC+ output delay against easing geopolitical risks following the Israel-Hezbollah cease-fire. Markets are closely awaiting the OPEC+ meeting on December 1, with reports suggesting the group will delay January's planned production increase by several months due to signs of a supply glut. Meanwhile, Middle East tensions eased after Israel and Hezbollah reached a 60-day cease-fire deal through US-mediated talks.

LME Zinc continue to trade higher for the second day to \$3118 per ton following a significant increase in withdrawal orders from London Metal Exchange (LME) warehouses. Other base metals are also trading positive amid supply-side challenges, such as declining ore grades and escalating costs at major mines like Escondida, are adding further pressure on the market. LME Copper and lead trading 0.6% higher while Aluminium and Nickel are trading moderately lower China's industrial sector posted weakening profits for the third month in October.

European natural gas declined for the second consecutive day on Wednesday. This downward trend can be attributed to consistent gas supplies and relatively milder weather conditions. While benchmark futures experienced a 2.9% dip, they remain near their one-year high. Market volatility persists due to the upcoming expiration of the gas transit agreement between Ukraine and Russia at the end of 2024. Uncertainty surrounding a potential alternative agreement has contributed to price fluctuations.

Today as market focus shifts to key data releases including the PCE Price Index, Q3 GDP revisions, and weekly jobless claims, ahead of Thursday's Thanksgiving market closure.

Date	IST	Currency	Data	Forecast	Previous
27-Nov-24	19:30	USD	Prelim GDP q/q	2.8%	2.8%
	19:30	USD	Unemployment Claims	215K	213K
	20:30	USD	Core PCE Price Index m/m	0.3%	0.3%
	20:30	USD	Crude Oil Inventories	-1.3M	0.5M
	20:30	USD	Natural Gas Storage	-4B	-3B

Source: Forex factory

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2587.7	2621.9	2632.5	2649.5	2666.6	2677.2	2711.3
	MCX Gold Dec	74465	75294	75550	75964	76378	76634	77463
	Spot Silver	29.44	30.03	30.21	30.50	30.80	30.98	31.57
	MCX Silver Dec	86358	87676	88083	88742	89401	89808	91126
	MCX Copper Dec	797.3	804.3	806.5	810.1	813.6	815.8	822.8
	MCX Zinc Dec	281.0	284.6	285.7	287.5	289.3	290.4	294.0
	MCX Lead Dec	178.1	179.2	179.5	180.0	180.5	180.8	181.9
	MCX Aluminium Dec	238.3	241.0	241.9	243.3	244.6	245.5	248.2
	MCX Crude Oil Dec	5644	5759	5794	5851	5908	5943	6058
MCX Natural Gas Dec	262.73	274.05	277.54	283.20	288.86	292.35	303.67	

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



Source: Trading View

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	

FUNDAMENTAL RESEARCH TEAM

Anindya Banerjee	Head of Research
Kaynat Chainwala	AVP, Commodity Research
Riteshkumar Sahu	Agri-Complex
Saish Sawant Dessai	Base Metals

TECHNICAL RESEARCH TEAM

Abhijit Chavan	Ian Gonsalves	Yadnesh Shendge	Jimesh Chauhan

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