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### **Gold continue to make new highs on softer U.S. Dollar, fed cut expectations**

Comex Gold prices surged to a new all-time high of \$2,617 an ounce as investors eagerly anticipated the Federal Reserve's decision to cut interest rates for the first time since 2019. The precious metal was also supported by a weaker US dollar, which fell after an apparent assassination attempt against former President Donald Trump. As attention shifts to next week's Federal Open Market Committee (FOMC) meeting, market participants are eagerly anticipating the Fed's first interest rate cut since 2020.

Fed fund futures indicate that investors are increasingly betting the Federal Reserve will opt for a 50 basis point cut, with markets pricing in a 59% chance, while the odds for a modest 25 basis point reduction stand at 41%, according to CME's FedWatch Tool.

Upcoming US retail sales data, set to be released just ahead of the FOMC announcement, could add further volatility. A stronger retail sales report might support a smaller rate cut, while weaker data could increase the likelihood of a larger reduction, setting the stage for continued movement in gold prices.

WTI Crude Oil prices remained stable near \$ 69 a barrel after a week of gains, as traders balanced declining Libyan exports with concerns about China's economic slowdown. Libya's oil production has fallen due to political tensions and the failure of UN-led talks. Meanwhile, China's economic data revealed a continued slowdown in industrial output and investment, making its 5% growth target for the year increasingly challenging. Despite supply losses from Libya and improved OPEC+ compliance from Russia, global oil markets are expected to maintain a small counter-seasonal deficit.

LME base metals are trading mixed with Copper and lead is trade negative while Aluminium and Zinc is trading positive. LME Copper trading down by 0.32% near \$9,277 a ton as Chinese economic indicators released over the weekend revealed a slowdown in industrial output, consumption, and investment, raising concerns about China's overall economic growth. The property crisis, which has already dampened demand for copper exacerbated by the weaker-than-expected economic performance.

European natural gas has eased fell by as much as 3.3% on Monday, following a 2.3% drop last week due to recent cold snap. As temperatures rise, fuel inventories are continuing to build up while demand remains low. The continent has sufficient gas supplies for the upcoming winter, with LNG imports increasing and storage sites brimming full. Although the recent cold spell temporarily slowed gas injections into storage, the return to milder weather will likely allow inventories to continue growing.

For today, investors will be watching the Empire State Manufacturing Index for additional insights into the US economy and its potential impact on the Fed's decision.

| Date      | IST   | Currency | Data                             | Forecast | Previous |
|-----------|-------|----------|----------------------------------|----------|----------|
| 16-Sep-24 | 18:00 | USD      | Empire State Manufacturing Index | - 4.1    | - 4.7    |

Source: Forex factory

# Evening Track

|             | Commodity           | Support 3 | Support 2 | Support 1 | LTP    | Resistance 1 | Resistance 2 | Resistance 3 |
|-------------|---------------------|-----------|-----------|-----------|--------|--------------|--------------|--------------|
| Commodities | Spot Gold           | 2546.8    | 2568.0    | 2574.6    | 2585.2 | 2595.8       | 2602.4       | 2623.6       |
|             | MCX Gold Oct        | 72744     | 73232     | 73382     | 73626  | 73870        | 74020        | 74508        |
|             | Spot Silver         | 29.79     | 30.43     | 30.63     | 30.95  | 31.27        | 31.46        | 32.10        |
|             | MCX Silver Dec      | 87403     | 88911     | 89377     | 90131  | 90885        | 91351        | 92859        |
|             | MCX Copper Sep      | 787.3     | 795.4     | 797.9     | 802.0  | 806.1        | 808.6        | 816.7        |
|             | MCX Zinc Sep        | 262.0     | 265.7     | 266.9     | 268.7  | 270.5        | 271.7        | 275.4        |
|             | MCX Lead Sep        | 182.1     | 183.5     | 184.0     | 184.7  | 185.4        | 185.9        | 187.3        |
|             | MCX Aluminium Sep   | 225.8     | 228.6     | 229.4     | 230.8  | 232.2        | 233.0        | 235.8        |
|             | MCX Crude Oil Sep   | 5561      | 5693      | 5734      | 5800   | 5866         | 5907         | 6039         |
|             | MCX Natural Gas Sep | 180.67    | 187.32    | 189.37    | 192.70 | 196.03       | 198.08       | 204.73       |



Source: Trading View

|  |  |
|--|--|
| <b>BUY</b>   | We expect the commodity to deliver 1% or more returns    |
| <b>SELL</b>  | We expect the commodity to deliver (-1%) or more returns |
| <b>SIDEWAYS</b>  | We expect the commodity to trade in the range of (+/-)1% |
| <b>NOTE - The recommendations are valid for one day from the date of issue of the report, subject to mentioned stop loss, if any</b> |  |

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