

Riteshkumar Sahu (riteshkumar.sahu@kotak.com), Ian Gonsalves (yadnesh.shendge@kotak.com)

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Gold extends decline, as bet for US rate cut to be less aggressive

Comex Gold decline for a sixth day to trade near \$2,636, as comments from Federal Reserve policymakers added to signs that US rate cuts won't be as aggressive as previously thought. Moreover, pressure from a stronger dollar the markets priced in a more gradual pace of easing this year and into early 2025. Swaps markets now point to about 50 basis points of cuts this year, down from 75 basis points about two weeks ago. Fed Bank of Boston President Susan Collins emphasized on Tuesday that monetary easing should be careful and data-based. Her Atlanta counterpart Raphael Bostic said threats to the labor market have increased, although inflation risks have fallen and the economy is still strong. (Bloomberg)

WTI Crude Oil steadied near \$74 a barrel following the previous session's sharp decline as China plans a Saturday briefing on fiscal policy, with the market also monitoring developments in the Middle East. Now attention shifted back to Chinese demand as Beijing withheld significant new stimulus following a week-long holiday, reigniting concerns about demand growth from the world's largest crude importer. Meanwhile, API data showed that US crude oil inventories surged by 10.9 million barrels last week, the largest weekly build since November 2023, far exceeding the expected 2 million barrel increase.

LME base metals hold steady after China announced another briefing on policy support, rebooting speculation for major fiscal measures would be rolled out after an address on Tuesday left investors disappointed. In the previous session, LME Copper prices tumbled over 2% as briefing from the National Development and Reform Commission in China signaled no additional stimulus measures, disappointing markets.

US natural gas futures were little change in today's trades, weighed down by colder weather, which could boost heating demand, with Hurricane Milton, the Category 4 storm could knock out power in several parts of Florida. As per the Commodity Weather group, the forecasts shifted cooler for the eastern and parts of the central US for Oct. 13-17. In its 2024 Winter Fuels Outlook, the EIA forecasts a colder winter, leading to higher energy consumption for heat.

Today, traders waiting for Fed official speeches and FOMC Meeting Minutes.

Date	IST	Currency	Data	Forecast	Previous
09-Oct-24	18:45	USD	FOMC Member Logan Speaks		
	19:30	USD	Final Wholesale Inventories m/m	0.2%	0.2%
	20:00	USD	Crude Oil Inventories	2.0M	3.9M
	23:30	USD	FOMC Meeting Minutes		

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2575.7	2598.8	2606.0	2617.5	2629.1	2636.2	2659.3
	MCX Gold Dec	74195	74744	74914	75188	75462	75632	76181
	Spot Silver	29.31	30.07	30.31	30.69	31.08	31.31	32.08
	MCX Silver Dec	86285	87994	88522	89376	90230	90758	92467
	MCX Copper Oct	810.6	822.2	825.7	831.5	837.3	840.8	852.4
	MCX Zinc Oct	270.2	274.5	275.9	278.0	280.1	281.5	285.8
	MCX Lead Oct	179.1	180.9	181.5	182.5	183.4	184.0	185.8
	MCX Aluminium Oct	226.3	229.8	230.9	232.7	234.4	235.5	239.0
	MCX Crude Oil Oct	5927	6096	6148	6232	6316	6368	6537
	MCX Natural Gas Oct	214.53	221.53	223.70	227.20	230.70	232.87	239.87



Source: Trading View

BUY	
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	Base Metals & Energy
Riteshkumar Sahu	Agri-Complex

TECHNICAL RESEARCH TEAM			
Abhijit Chavan	Ian Gonsalves	Devanshi Mehta	Yadnesh Shendge

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