

Riteshkumar Sahu (riteshkumar.sahu@kotak.com), Devanshi Mehta (devanshi.mehta@kotak.com)

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Commodities volatile as investors await Key US Data

COMEX Gold slipped to its lowest level in two weeks to trade near \$2,370 per ounce on Thursday, as investors became cautious ahead of important US economic data releases that could offer insights on the Federal Reserve's prospective rate-cut timing. Markets have fully priced in a September rate decrease, with two additional reductions expected by the end of the year. Now the key focal points include the preliminary Q2 GDP figures due later today, followed by the June PCE price index report on Friday.

WTI Crude Oil prices are sliding amid larger bearish sentiments in commodities, on concern about demand in top importer China outweighing weekly inventory decreases in the United States. Brent and WTI are both down by more than 1%, to \$80.90 and \$76.22 a barrel, respectively. As per government data, China's oil imports and refinery runs this year have trended lower than in 2023 on weaker fuel demand amid sluggish economic growth. Elsewhere, in the Middle East, efforts to achieve a cease-fire agreement to end Israel's war in Gaza with militant group Hamas have gathered traction over the past month.

LME base metals continue to trade under pressure due to concerns about industrial and property market issues in China, which are affecting demand prospects. LME Copper fell about 1% to trade below the \$9,000 per ton for the first time since early April weigh down by selloff in global stock markets and rising pessimism about the outlook for demand in China and elsewhere. The recent selloff in global technology markets has raised concerns about the strength of the AI industry. Investors piled into copper in anticipation of increased demand for data centers and electrical infrastructure. LME Zinc and Nickel is down by 0.2% and 0.60% respectively.

Nymex Henry Hub gas prices rose on improving demand from Japan, China and India. Moreover, the volume of natural gas injected into storage from April 1 to October 31 is 15% lower than the five-year average for the same period last year and 15% lower than the year before, according to the EIA. However, **European natural gas** prices down about 1.5% to trade around \$10.3 per mmbtu on expectation of lower seasonal demand in Europe.

Today's US GDP, initial jobless claims and durable goods orders will be closely watched for the timing of rate cuts this year.

Date	IST	Currency	Data	Forecast	Previous	Importance
25-Jul-24	18:00	USD	Advance GDP q/q	2.0%	1.4%	High
	18:00	USD	Unemployment Claims	237K	243K	High
	18:00	USD	Advance GDP Price Index q/q	2.6%	3.1%	Medium
	18:00	USD	Core Durable Goods Orders m/m	0.2%	-0.1%	Medium
	18:00	USD	Durable Goods Orders m/m	0.3%	0.1%	Medium
	20:00	USD	Natural Gas Storage	13B	10B	Low

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Index	MCX BULDEX Jul	16712	16983	17067	17202	17337	17421	17692
Commodities	Spot Gold	2326.6	2352.9	2361.0	2374.1	2387.2	2395.4	2421.6
	MCX Gold Aug	66100	67091	67397	67893	68389	68695	69686
	Spot Silver	26.73	27.38	27.58	27.91	28.24	28.44	29.09
	MCX Silver Sep	78412	80211	80766	81666	82566	83121	84920
	MCX Copper Jul	762.5	773.6	777.0	782.5	788.0	791.4	802.5
	MCX Zinc Jul	246.5	251.3	252.8	255.2	257.6	259.1	263.9
	MCX Lead Jul	188.3	189.8	190.2	191.0	191.8	192.2	193.7
	MCX Aluminium Jul	203.5	206.3	207.1	208.6	210.0	210.8	213.6
	MCX Crude Oil Aug	6223	6328	6361	6413	6465	6498	6603
	MCX Natural Gas Jul	167.07	172.95	174.76	177.70	180.64	182.45	188.33

Source: Bloomberg, KS Commodity Research



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	

FUNDAMENTAL RESEARCH TEAM	
Anindya Banerjee	Head of Research anindya.banerjee@kotak.com +91 22 6621 6234
Kaynat Chainwala	Base Metals & Energy kaynat.chainwala@kotak.com +91 22 6621 6232
Riteshkumar Sahu	Agri-Complex riteshkumar.sahu@kotak.com +91 22 6621 6233

TECHNICAL RESEARCH TEAM			
Abhijit Chavan	Ian Gonsalves	Devanshi Mehta	Yadnesh Shendge
chavan.abhijit@kotak.com +91 22 6621 6217	ian.gonsalves@kotak.com +91 22 6621 6216	devanshi.mehta@kotak.com	yadnesh.shendge@kotak.com

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