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November 8, 2024

China's Underwhelming Stimulus and Rising Dollar Dampen Commodity Prices

Comex Gold edged lower to trade near \$2,790 per ounce on Friday, following a volatile week marked by uncertainty around US interest rates and the impact of the recent election. Fed Chair Jerome Powell's remarks about the potential for a December rate cut, while acknowledging ongoing economic expansion, added to market uncertainty. The initial surge in the US dollar following the election had weighed heavily on gold prices. However, the subsequent gain partially offset this decline. As investors grapple with evolving economic and political landscapes, gold's price trajectory remains subject to shifts in these dynamics.

WTI Oil prices declined to trade near \$71 per barrel on Friday, tracking a broader market sell-off after China's recent stimulus measures fell short of expectations. The announcement to refinance local government debt was perceived as insufficient to address the country's economic slowdown. While Trump's victory may lead to increased domestic oil production and tighter restrictions on Iranian exports, its impact on global oil prices remains uncertain. The market's muted reaction suggests that investors are cautious, awaiting concrete policy actions and assessing the broader economic implications. The Federal Reserve's interest rate cut, although widely anticipated, provided limited support to oil prices.

LME base metals, including copper, declined on Friday following China's announcement of a 10 trillion yuan debt refinancing plan. While this stimulus package was expected to boost economic growth and metal demand, the scale of the measures fell short of market expectations. As a result, the offshore yuan weakened, and commodities like oil and iron ore also experienced downward pressure. This disappointment in China's stimulus measures dampened investor sentiment and weighed on base metal prices. LME Copper down by 1.40% to \$9,531 a ton, while zinc is down by over 2% and aluminum down by 1%.

European natural gas rose as much as 2.8% on Friday and set for the weekly gains and, driven by concerns over increased demand due to colder weather forecasts for parts of the region. Benchmark futures have risen by approximately 8%, partially offsetting last week's decline. The region's gas storage facilities are already experiencing withdrawals, and lower-than-average LNG deliveries are further tightening the supply-demand balance. These factors, combined with the potential for increased demand, are contributing to the upward pressure on gas prices.

Today, investors will look for UoM Consumer Sentiment report and inflation expectations that could influence gold's continued movement.

Date	IST	Commodity	Data	Forecast	Previous
08-Nov-24	20:30	Bullion	Prelim UoM Consumer Sentiment	71	70.5
	20:30	Bullion	Prelim UoM Inflation Expectations		2.7%
	21:30	Bullion	FOMC Member Bowman Speaks		

Source: Forex factory

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2626.4	2659.5	2669.8	2686.3	2702.9	2713.1	2746.2
	MCX Gold Dec	75978	76667	76880	77225	77570	77783	78472
	Spot Silver	29.98	30.79	31.05	31.45	31.86	32.11	32.93
	MCX Silver Dec	88507	90248	90785	91656	92527	93064	94805
	MCX Copper Nov	818.4	830.7	834.6	840.8	846.9	850.8	863.1
	MCX Zinc Nov	272.0	277.1	278.7	281.2	283.7	285.3	290.4
	MCX Lead Nov	179.5	180.7	181.1	181.8	182.4	182.8	184.0
	MCX Aluminium Nov	237.3	240.8	242.0	243.8	245.5	246.7	250.2
	MCX Crude Oil Nov	5791	5916	5955	6017	6079	6118	6243
	MCX Natural Gas Nov	214.54	221.98	224.28	228.00	231.72	234.02	241.46

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



Source: Trading View

Evening Track

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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