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Commodities mixed on dollar strength, China recovery

Comex Gold futures declined on Monday to trade near \$2,636 per ounce as the US dollar strengthened, with investors anticipating key economic data releases on Friday. These figures may influence the Federal Reserve's upcoming interest rate decision. A stronger dollar typically weighs on gold prices, as it becomes more expensive for buyers using other currencies. While recent geopolitical tensions, particularly the Russia-Ukraine conflict, have supported safe-haven demand for gold, the recent US-brokered ceasefire in Israel has somewhat diminished this effect.

WTI Crude Oil rebounded on Monday to trade above \$68.7 per barrel, buoyed by signs of a moderate recovery in China's manufacturing sector. This followed a significant decline last week. Despite geopolitical tensions and the looming threat of a potential Trump presidency, the market's focus remains on the upcoming OPEC+ meeting.

LME base traded lower on Monday, reversing the previous week's gains attributed to a strengthening US dollar, fueled by expectations of robust US economic growth in 2025. The dollar also gained after US President-elect Donald Trump threatened BRICS member countries on Saturday with 100% tariffs if they create or support a new currency that could replace the dollar. Conversely, positive economic indicators emerged from China. November data revealed a second consecutive month of expansion in manufacturing activity, likely spurred by Beijing's recent stimulus measures. LME Copper and Aluminium is down by more than 0.30% to trade near \$ 8,980 per ton and \$2,583 per ton respectively.

European natural gas are climbed as much as 2.7% on Monday, extending Friday's rally as colder weather forecasts emerge for parts of the continent. The anticipated return of colder temperatures in western Europe next week is expected to bolster heating demand, thereby exerting upward pressure on gas prices. Additionally, the strengthening oil market and geopolitical tensions in regions like Ukraine and the Middle East are contributing to the upward trend in gas futures. Europe's gas inventories have been depleted at an accelerated pace, raising concerns about the feasibility of adequate stockpiling for the next year.

Today, focus will be on Final Manufacturing PMI, ISM Manufacturing PMI and ISM Manufacturing Prices.

Date	IST	Currency	Data	Forecast	Previous
02-Dec-24	20:15	USD	Final Manufacturing PMI	48.8	48.8
	20:30	USD	ISM Manufacturing PMI	47.7	46.5
	20:30	USD	ISM Manufacturing Prices	55.2	54.8
	20:30	USD	Construction Spending m/m	0.2%	0.1%

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2582.2	2611.9	2621.1	2635.9	2650.7	2659.9	2689.5
	MCX Gold Dec	74455	75251	75498	75896	76294	76541	77337
	Spot Silver	29.20	29.78	29.96	30.25	30.54	30.71	31.29
	MCX Silver Dec	85689	87136	87583	88307	89031	89478	90925
	MCX Copper Dec	797.2	802.7	804.4	807.2	809.9	811.6	817.1
	MCX Zinc Dec	279.1	282.7	283.8	285.6	287.3	288.4	292.0
	MCX Lead Dec	180.3	181.3	181.6	182.2	182.7	183.0	184.0
	MCX Aluminium Dec	237.6	239.8	240.5	241.6	242.7	243.4	245.6
	MCX Crude Oil Dec	5668	5759	5787	5833	5879	5907	5998
	MCX Natural Gas Dec	248.75	259.83	263.26	268.80	274.34	277.77	288.85

Source: Bloomberg, KS Commodity Research

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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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