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September 25, 2024

Commodities edged lower after a sharp rally

Comex Gold prices remained steady after it climb to all-time highs of \$2,694.9 an ounce driven by expectations of further monetary easing and heightened geopolitical tensions. The recent decline in US consumer confidence reinforced the dovish stance of the Federal Reserve, aligning with previous signals of another interest rate cut. Meanwhile, China's central bank announced its largest stimulus package since 2020, which includes interest rate cuts. Gold's appeal as a safe haven was further boosted by the escalating violence in the Middle East.

The People's Bank of China cut the rate of the medium-term lending facility to 2% from 2.3%, according to a statement on Wednesday. The 30-basis-point cut was the biggest since the bank began using the monetary tool to guide market interest rates in 2016.

WTI Crude Oil prices remained elevated near above \$71 per barrel, supported by developments in the Middle East and expectations for increased energy demand in China. Iranian President Masoud Pezeshkian's statement that Israeli attacks in Lebanon "cannot go unanswered" raised geopolitical tensions. Meanwhile, China's central bank's stimulus measures boosted global stock markets, though their impact on energy demand remains uncertain.

LME base metals see modest declines after a sharp rally in the last few sessions fueled by sweeping stimulus measures announced by China to revive the economy and achieve the 5% growth target planned for this year. LME Copper edged below \$9800/tonne, Aluminium slipped 1.5% to \$2520/tonne and Zinc held near \$3000/tonne as investors digested China's stimulus package.

European natural gas rose 2.7% reversing Tuesday's decline, due to slower stockpiling, raising concerns about potential supply shortages during the winter. While gas storage sites are above the seasonal average at 94% full, they are below levels seen a year ago. Some countries, like Germany, have even started to withdraw gas from storage. Traders are closely monitoring inventories as the weather cools across northwest Europe, potentially boosting heating demand.

Today, US new home sales and EIA oil stock data will be in focus.

Date	IST	Currency	Data	Forecast	Previous
25-Sep-24	19:30	USD	New Home Sales	699K	739K
	20:00	USD	Crude Oil Inventories	-1.3M	-1.6M

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2612.7	2636.9	2644.3	2656.4	2668.5	2676.0	2700.2
	MCX Gold Oct	74170	74712	74880	75151	75422	75590	76132
	Spot Silver	30.44	31.18	31.41	31.78	32.15	32.38	33.13
	MCX Silver Dec	89348	90759	91195	91900	92605	93041	94452
	MCX Copper Oct	820.9	829.4	832.0	836.3	840.6	843.2	851.7
	MCX Zinc Oct	266.4	270.2	271.5	273.4	275.3	276.6	280.4
	MCX Lead Oct	179.2	181.3	181.9	183.0	184.0	184.6	186.7
	MCX Aluminium Oct	227.0	230.4	231.4	233.1	234.7	235.7	239.1
	MCX Crude Oil Oct	5793	5901	5935	5989	6043	6077	6185
	MCX Natural Gas Sep	203.46	210.84	213.11	216.80	220.49	222.76	230.14



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	

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