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Bullion and Crude rebound on Mideast tension while Metals falls amid demand concerns

COMEX Gold steadies with little change to trade near \$2,434, after four-Day drop as wider markets recover after global selloff earlier in the week. Additionally, heightened tensions in the Middle East continued to enhance gold’s appeal as a safe-haven asset. Investors now see the US central bank easing in September while strength in the U.S. dollar and Treasury yields weigh on prices.

China’s central bank didn’t buy any gold for a third straight month in July, as the precious metal surged to record high. Bullion held by the People’s Bank of China was unchanged at 72.8 million troy ounces at the end of last month, according to official data released on Wednesday. This is the third month of no reported purchases — the central bank in May ended an 18- month buying spree that helped drive strength in bullion. (Bloomberg)

WTI Crude Oil held its gains above \$74 as it is now recovering from a global market rout, as investors are on edge over the possibility of a retaliatory strike from Iran on Israel. Moreover, reports that production in Libya's main oil field, Sharara, was halted owing to anti-government protests and security concerns. Oil still faces headwinds from faltering demand in China and the US, and the potential addition of supply from the OPEC+ alliance from next quarter.

Chinese oil imports dropped to the slowest pace in almost two years last month to 42.34 million tons in July, according to customs data on Wednesday. That’s equal to 10 million barrels a day, the weakest pace since September 2022, according to Bloomberg calculations. (Bloomberg)

Russia made further cuts to its oil production in July, edging closer to its OPEC+ target as the group focuses on adherence to its supply deal. The nation produced 9.045 million barrels a day of crude last month, said people familiar with data from the Energy Ministry. (Bloomberg)

LME base metals continue to fall on demand concern in China and the US following weak manufacturing data. LME Copper trading near 5-month lows of \$8,811 per ton pressured by surge in stockpiles largest in four years, underscoring the weak demand in Asia. The 42,175-ton inflow took inventories on the London Metal Exchange to their highest level since 2019, with the material flooding into sheds in South Korea and Taiwan.

European natural gas prices slipped to near €36 a megawatt-hour as market participants weighed demand risks against mounting geopolitical turmoil, both of which threaten to shake up the region’s fragile supply balance.

Date	IST	Currency	Data	Forecast	Previous
07-Aug-24	20:00	USD	Crude Oil Inventories	-1.6M	-3.4M
	Tentative	USD	10-y Bond Auction		4.28\2.6

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2334.0	2367.2	2377.5	2394.1	2410.7	2421.0	2454.2
	MCX Gold Oct	67501	68336	68593	69011	69429	69686	70521
	Spot Silver	25.60	26.37	26.61	26.99	27.38	27.61	28.38
	MCX Silver Sep	76230	77948	78478	79337	80196	80726	82444
	MCX Copper Aug	752.2	764.5	768.3	774.5	780.6	784.4	796.7
	MCX Zinc Aug	238.3	242.0	243.2	245.1	246.9	248.1	251.8
	MCX Lead Aug	179.2	181.4	182.0	183.1	184.2	184.8	187.0
	MCX Aluminium Aug	205.8	208.9	209.8	211.3	212.8	213.7	216.8
	MCX Crude Oil Aug	5979	6110	6150	6216	6282	6322	6453
	MCX Natural Gas Aug	161.65	167.76	169.65	172.70	175.75	177.64	183.75

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	

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