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Commodities trading positive on hopes of Chinese stimulus

Comex Gold remains positive today as it trade near \$2,753 per ounce as investors closely watched the US presidential election, which could significantly impact economic policies. With no clear winner emerging from recent polls between Kamala Harris and Donald Trump, uncertainty has fueled demand for safe-haven assets like gold. Many investors believe that the precious metal could appreciate further, especially especially if the result is contested.

WTI Oil prices surged about 2.88% as it trade near \$71.50 per barrel as OPEC+ decided to postpone its planned production increase until January 2024. This move, anticipated by many market participants, reflects concerns over fragile market conditions. Simultaneously, tensions in the Middle East escalated, with Iran issuing threats against Israel. Supreme Leader Ayatollah Ali Khamenei warned of a "crushing response," and reports suggest a potential attack before the US presidential inauguration.

LME base metals opened the week on a positive to mixed note, primarily driven by a weaker US dollar spurred by increasing uncertainty surrounding the US presidential election and the upcoming Fed interest rate decision. LME Copper is trading higher by about 0.90% near \$ 9,651 per ton on hopes for fiscal stimulus from the upcoming Chinese National People's Congress (NPC) meeting. The NPC meeting is expected to unveil details on debt and fiscal initiatives to revitalize economic growth. Media reports suggest that China may consider a stimulus package exceeding 10 trillion yuan.

European Natural gas prices in mainland Europe and the UK surged on Monday, mirroring the rise in crude oil prices. This upward trend was supported by geopolitical tensions in the Middle East and unfavorable weather conditions across the region. Additionally, the absence of wind power generation, particularly in the UK and Germany, compelled utilities to rely more heavily on gas-fired power plants to meet energy demand. Recent LNG deliveries to the UK and Europe have also been below average for this time of year, exacerbating the supply concerns and contributing to the price hike.

Today, investors will look for the data on factory orders which contains a revision of the Durable Goods Orders data released about a week earlier, and fresh data regarding non-durable goods. It's a leading indicator of production.

Date	IST	Commodity	Data	Forecast	Previous
04-Nov-24	20:30	Bullion	Factory Orders m/m	-0.40%	-0.20%

Source: Forex factory

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2701.6	2724.3	2731.3	2742.6	2754.0	2761.0	2783.6
	MCX Gold Dec	77446	78018	78194	78480	78766	78942	79514
	Spot Silver	31.50	32.23	32.45	32.82	33.18	33.40	34.13
	MCX Silver Dec	92160	93743	94232	95024	95816	96305	97888
	MCX Copper Nov	837.3	844.6	846.8	850.5	854.1	856.3	863.6
	MCX Zinc Nov	276.5	281.2	282.6	285.0	287.4	288.8	293.5
	MCX Lead Nov	179.3	180.7	181.2	181.9	182.5	183.0	184.4
	MCX Aluminium Nov	234.4	237.4	238.3	239.8	241.3	242.2	245.2
	MCX Crude Oil Nov	5794	5920	5959	6022	6085	6124	6250
	MCX Natural Gas Nov	207.59	215.00	217.29	221.00	224.71	227.00	234.41

Source: Bloomberg, KS Commodity Research

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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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