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Gold retreats after strong rally, await U.S. Data this week

Comex Gold futures retreated sharply by about 2% to begin the week to trade near \$2,670 per ounce, reversing the significant gains from the previous week. Despite a weaker US dollar, which usually supports gold, investors' focus shifted towards the upcoming Federal Reserve interest rate decision. A recent report indicating stronger-than-expected US economic activity has reduced expectations for a rate cut in the near future. Higher interest rates typically dampen gold's appeal as a non-interest-bearing asset.

WTI Crude Oil dipped below \$71 per barrel as US Treasury Secretary nominee Scott Bessent advocated for increased domestic oil production while Israel indicated that a potential ceasefire agreement with Lebanon's Hezbollah could be imminent. President-elect Donald Trump to push for an additional 3 million barrels per day of oil production, significantly increasing its current output of 13 million barrels per day. This potential surge in US production could exacerbate an anticipated global oil glut, especially considering OPEC's upcoming decision on whether to increase production. Given these factors, market predict OPEC will delay its planned production increase for the third time.

LME base metal trading higher today ending a two-day losing streak, as the US dollar weakened following President-elect Donald Trump's nomination of Scott Bessent for Treasury Secretary. Investors anticipate that Bessent will favor policies that maintain economic stability and market equilibrium over more disruptive reforms. Meanwhile, global attention is on China's attempts to revitalize its economy following its recent stimulus package. However, China's decision to maintain key lending rates has dampened hopes for economic stimulus, potentially impacting copper consumption. Simultaneously, global copper inventories are shrinking due to rising demand. LME copper is trading 1% higher at \$9,050 per ton while Aluminium, Zinc and Lead is up by about 0.8% today.

European natural gas trading mostly sideways on Monday as traders weighed the potential impact of colder weather forecasts on the region's gas inventories. It decline 2.7% on Friday, but remain up significantly for the month. Despite a mild start to the week, temperatures are expected to decrease in the coming days, potentially accelerating gas withdrawals from storage sites. While storage levels remain relatively high at 88%, faster consumption could strain supplies during late winter and the upcoming summer replenishment period.

Today, there is no major economic data from the US to be released.

Date	IST	Currency	Data	Forecast	Previous
25-Nov-24			No major data		

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2613.6	2646.9	2657.2	2673.9	2690.6	2700.9	2734.3
	MCX Gold Dec	75275	76030	76263	76640	77017	77250	78005
	Spot Silver	29.70	30.30	30.49	30.79	31.10	31.29	31.89
	MCX Silver Dec	86806	88165	88585	89264	89943	90363	91722
	MCX Copper Nov	794.9	806.0	809.4	814.9	820.4	823.8	834.9
	MCX Zinc Nov	273.9	278.0	279.3	281.4	283.4	284.7	288.8
	MCX Lead Nov	174.2	175.8	176.4	177.2	178.0	178.6	180.2
	MCX Aluminium Nov	242.2	245.8	247.0	248.8	250.6	251.8	255.4
	MCX Crude Oil Dec	5793	5894	5925	5976	6027	6058	6159
	MCX Natural Gas Nov	254.38	269.32	273.93	281.40	288.87	293.48	308.42

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



Source: Trading View

RATING SCALE FOR DAILY REPORT

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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