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Commodities Weather the dollar storm, Chinese stimulus awaits

Comex Gold prices stabilized near \$ 2,670 per ounce after a significant 3% drop in the previous session as the market is closely monitoring the outlook for the US and global economies and Donald Trump's decisive White House victory. This decline was triggered by the dollar's surge to a one-year high after Trump's unexpected presidential victory. As fears of a contested election subsided, some investors took advantage of the opportunity to realize profits. A stronger dollar tends to make gold more expensive for most buyers.

WTI Oil prices remained stable above \$71 per barrel on Thursday following a post-election decline. A stronger U.S. dollar and reduced Chinese crude oil imports counterbalanced concerns over potential supply disruptions due to a Trump presidency and Hurricane Rafael. Trump's victory is set to shake up US energy and environmental policy, and there's likely to be sweeping implications for oil production, offshore wind development, and electric vehicle sales. China's crude oil imports in October decreased by 9% y/y, marking the sixth consecutive month of decline.

LME base metals rebounded after a sharp decline on Wednesday, fueled by hopes that potential US tariffs on Chinese goods could trigger increased Chinese stimulus. Investors awaited updates from the National People's Congress on plans to boost local government debt and spending. China's trade surplus widened unexpectedly in October, with export growth and import decline. LME Copper up by 1.84% to \$9,518 a ton, while zinc is higher by over 3% and aluminum up 1.64%.

European natural gas climbed 1.6%, trading near €41/MWh as winter demand increased as Germany and France drew gas from storage, supporting prices. While current weather is mild, forecasts predict colder temperatures next week, boosting heating demand. Additionally, a decline in wind generation forced utilities to use gas-fired plants, further driving up demand. EU gas withdrawals hit a seasonal high of 3 TWh on Tuesday, signaling increased consumption.

US economic data releases today, including jobless claims and preliminary nonfarm productivity, for further insights into the economic outlook.

Date	IST	Commodity	Data	Forecast	Previous
07-Nov-24	19:00	Bullion	Unemployment Claims	223K	216K
	19:00	Bullion	Prelim Nonfarm Productivity q/q	2.6%	2.5%
	19:00	Bullion	Prelim Unit Labor Costs q/q	1.1%	0.4%
	20:30	Bullion	Final Wholesale Inventories m/m	-0.1%	-0.1%
	21:00	Natural Gas	Natural Gas Storage	67B	78B

Source: Forex factory

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2611.0	2640.4	2649.5	2664.2	2679.0	2688.1	2717.5
	MCX Gold Dec	75376	76039	76244	76576	76908	77113	77776
	Spot Silver	29.79	30.53	30.76	31.13	31.50	31.73	32.47
	MCX Silver Dec	87674	89374	89900	90750	91600	92126	93826
	MCX Copper Nov	820.1	830.8	834.1	839.5	844.9	848.2	858.9
	MCX Zinc Nov	275.2	280.6	282.3	285.0	287.6	289.3	294.7
	MCX Lead Nov	180.3	181.6	182.0	182.7	183.3	183.7	185.0
	MCX Aluminium Nov	238.4	241.6	242.5	244.1	245.7	246.6	249.8
	MCX Crude Oil Nov	5803	5922	5959	6019	6079	6116	6235
MCX Natural Gas Nov	217.35	225.12	227.52	231.40	235.28	237.68	245.45	

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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