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Commodities steady ahead of US Inflation data

Comex Gold hovered near a record high of over \$2553 an ounce as investors waited for the release of US inflation data. Analysts predicted the three-month annualized rate of core inflation to fall to 2.1%, slightly above the Federal Reserve's target of 2%. If the data aligns with expectations, it could strengthen the case for interest rate cuts by the central bank. The markets continued to expect 100 basis points in rate cuts over the Fed's three remaining meetings this year.

WTI Crude Oil prices remained stable near \$76 a barrel at the end of the week, supported by positive US economic data and disruptions in Libyan oil supply. A revised US economic report indicated that the country's GDP grew at a slightly faster pace in the second quarter than initially estimated, boosting market sentiment. Additionally, oil production in Libya faced further risks of decline due to escalating turmoil in the OPEC member nation. The ongoing disruptions in Libya's oil output contributed to the overall stability in oil prices.

LME metals moves higher on expectation of improving China's demand with supply remaining adequate. The escalating tensions in the Middle East at the beginning of the week ignited a surge in crude oil prices, which subsequently propelled copper prices higher. LME Copper up by over 1.10% to trade near \$9,350 a ton. The copper inventory on the LME warehouse was down by 2,025. Also inventories of Lead and Zinc dropped by 1,525 and 1,550 tons today. LME Zine and Lead also down by roughly 1% to trade near \$2,917 and \$ 2056 respectively.

European natural gas prices are set for the biggest monthly gain of about 10%, highest since May as fears over supply shortages linger in the market ahead of the heating season. Prices have risen more than 40% since the beginning of the stockpiling season in April as numerous disruptions have coincided with traders' efforts to source fuel for winter.

Now, the focus shifts to the upcoming core PCE data in the evening, expected to increase slightly, potentially influencing Fed decisions along with Chicago PMI and revised UoM consumer and inflation expectation.

Date	IST	Currency	Data	Forecast	Previous
29-Aug-24	18:00	USD	Core PCE Price Index m/m	0.2%	0.2%
	18:00	USD	Personal Income m/m	0.2%	0.2%
	18:00	USD	Personal Spending m/m	0.5%	0.3%
	19:15	USD	Chicago PMI	45.0	45.3
	19:30	USD	Revised UoM Consumer Sentiment	68.0	67.8
	19:30	USD	Revised UoM Inflation Expectations		2.9%

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2485.6	2506.9	2513.4	2524.1	2534.7	2541.3	2562.6
	MCX Gold Oct	71323	71790	71935	72168	72401	72546	73013
	Spot Silver	28.62	29.12	29.27	29.52	29.77	29.92	30.42
	MCX Silver Dec	85100	86146	86469	86992	87515	87838	88884
	MCX Copper Sep	799.2	806.7	809.0	812.7	816.4	818.7	826.2
	MCX Zinc Sep	265.5	268.4	269.3	270.8	272.3	273.2	276.1
	MCX Lead Sep	183.9	185.3	185.8	186.5	187.2	187.7	189.1
	MCX Aluminium Sep	222.9	226.1	227.0	228.6	230.2	231.1	234.3
	MCX Crude Oil Sep	6153	6279	6318	6381	6444	6483	6609
	MCX Natural Gas Sep	169.47	175.18	176.95	179.80	182.65	184.42	190.13



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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