

Riteshkumar Sahu (riteshkumar.sahu@kotak.com), Jimesh Chauhan (jimesh.chauhan@kotak.com)

November 22, 2024

Geopolitical risks drive commodity prices Higher

Comex Gold futures surged above \$2,710 per ounce, securing its largest weekly gain since October 2022. This significant rise was primarily driven by escalating tensions in the Russia-Ukraine conflict, boosting gold's appeal as a safe-haven asset. Ukraine's recent announcement of a new type of Russian ballistic missile attack on the city of Dnipro has further intensified geopolitical concerns. Traders are also closely monitoring the potential for further monetary easing by the Federal Reserve.

WTI Crude Oil continue to trade positive for second consecutive session today, above \$70 per barrel, as it poised for their largest weekly gain since early October, as tensions between Russia and Ukraine escalate. The conflict between Russia and Ukraine has intensified significantly in recent weeks. Russia launched a ballistic missile in response to Ukraine's expanded use of Western-supplied long-range weapons. This escalation of hostilities has heightened concerns about potential disruptions to global oil supplies, driving up prices.

LME base metal prices have declined due to a stronger dollar and waning optimism following China's recent tax rebate. Last week, prices surged after China removed a 13% export tax rebate, now believe this won't significantly disrupt Chinese exports. Concerns about insufficient stimulus measures from China, the world's largest base metal consumer, have also dampened demand outlook. Investors are now looking towards China's decision on its one-year medium-term lending facility rate next week for potential additional policy support.

European natural gas prices surged for the third week in a row, driven by rising supply concerns and freezing weather conditions. Benchmark futures climbed by 2.6% on Friday, nearing the €50 per megawatt-hour mark for the first time in a year. Europe is facing increased uncertainty regarding its remaining gas supplies from Russia, adding to the pressure on the market. Simultaneously, colder-than-normal temperatures in certain regions have accelerated the depletion of gas inventories.

Today, focus now shifts to upcoming PMI and UoM Consumer Sentiment data along with some Fed Speeches.

Date	IST	Currency	Data	Forecast	Previous
22-Nov-24	20:15	USD	Flash Manufacturing PMI	48.8	48.5
	20:15	USD	Flash Services PMI	55.2	55.0
	20:30	USD	Revised UoM Consumer Sentiment	74.0	73.0
	20:30	USD	Revised UoM Inflation Expectations		2.6%

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2651.6	2680.4	2689.3	2703.8	2718.2	2727.1	2755.9
	MCX Gold Dec	76294	76976	77187	77528	77869	78080	78762
	Spot Silver	30.21	30.79	30.97	31.26	31.55	31.73	32.30
	MCX Silver Dec	88425	89750	90159	90822	91485	91894	93219
	MCX Copper Nov	802.8	812.6	815.6	820.5	825.4	828.4	838.2
	MCX Zinc Nov	272.2	275.9	277.0	278.8	280.6	281.7	285.4
	MCX Lead Nov	176.7	178.1	178.5	179.3	180.0	180.4	181.8
	MCX Aluminium Nov	238.4	242.2	243.4	245.3	247.2	248.4	252.2
	MCX Crude Oil Dec	5763	5862	5892	5942	5992	6022	6121
	MCX Natural Gas Nov	264.21	276.04	279.69	285.60	291.51	295.16	306.99

Source: Bloomberg. KS Commodity Research

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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	

FUNDAMENTAL RESEARCH TEAM

Anindya Banerjee	Head of Research
Kaynat Chainwala	AVP, Commodity Research
Riteshkumar Sahu	Agri-Complex
Saish Sawant Dessai	Base Metals

TECHNICAL RESEARCH TEAM

Abhijit Chavan	Ian Gonsalves	Yadnesh Shendge	Jimesh Chauhan

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