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Commodities rise as market prepare for US inflation data

COMEX gold rose to a near record high of \$2512 per ounce as investors awaited key inflation data that could prompt the Federal Reserve to lower interest rates next month. Furthermore, safe-haven appeal boosted markets as they watched developments on Iran's impending retaliation strike on Israel and Ukraine's incursion into Russia. Markets now predict a greater 50-basis-point Fed rate decrease in September, with more than 100 basis points of lowering projected this year.

Fed Bank of Atlanta President Raphael Bostic said he's looking for "a little more data" before supporting a reduction in rates, while reiterating he'll likely be ready to cut "by the end of the year." (Bloomberg)

WTI Oil is trading slightly higher near \$79 after an industry report showed a significant decline in US oil stockpiles amid tensions in the Middle East. API data showed a decrease of 5.205 million barrels for the week ending August 13th, exceeding market forecasts of a 2.0 million barrel decline and marking the largest drop since the week ending June 28th. Moreover, it also maintained its forecast for oil demand growth at under 1 million barrels per day for both 2024 and 2025, citing weak Chinese consumption as a factor.

LME base metals is trading higher as investors assessed the outlook for US rate cuts and. LME copper edged higher by about 0.70% to trade near \$9020 as market monitored supply disruptions at the world's biggest-producing mine, BHP Group's Escondida mine in Chile, which produces about 5% of the world's mined copper.

European natural gas prices ticked up amid fears that a Ukrainian incursion into Russia's Kursk region could end up damaging energy infrastructure. Benchmark futures rose as much as 2.1% Wednesday, after dipping earlier in the day. Prices have mostly trended down since Monday after jumping 10% last week. (Bloomberg)

Investors are now focus on the US CPI data due later in the day for further insight into inflation.

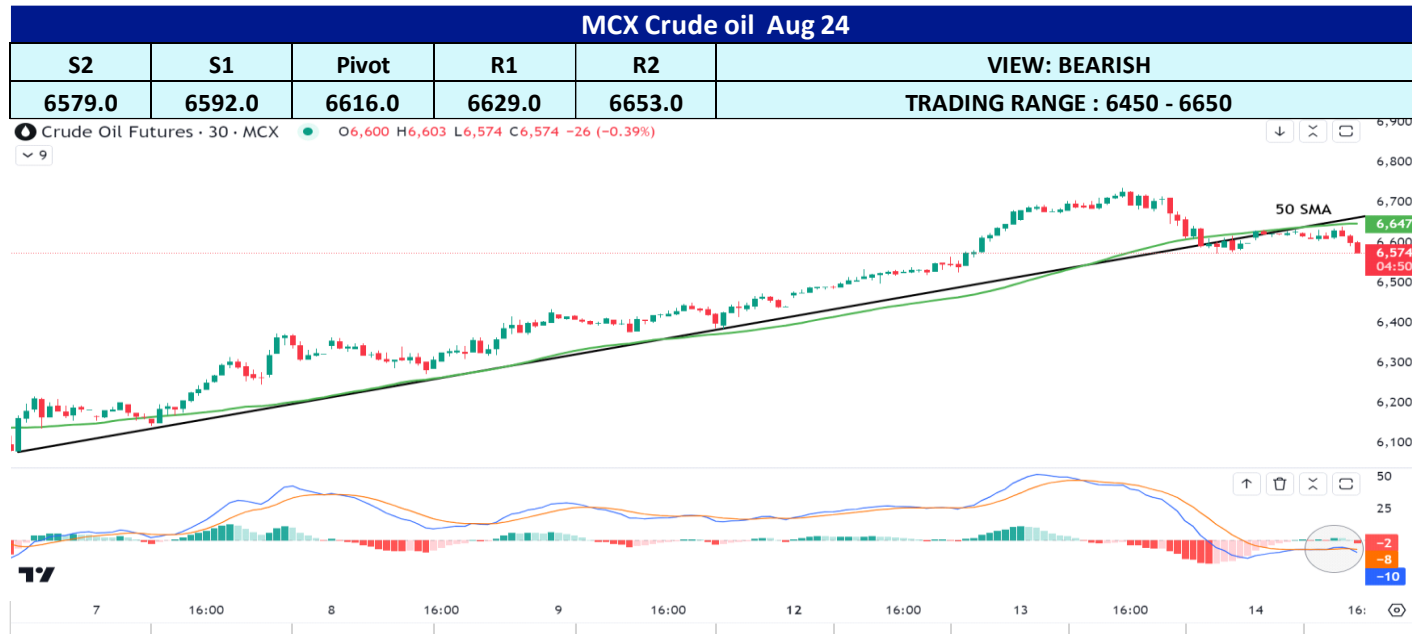
Date	IST	Currency	Data	Forecast	Previous
14-Aug-24	18:00	USD	Core CPI m/m	0.20%	0.10%
	18:00	USD	CPI m/m	0.20%	- 0.10%
	18:00	USD	CPI y/y	3.0%	3.0%
	20:00	USD	Crude Oil Inventories	-1.9M	-3.7M

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2424.0	2450.9	2459.3	2472.8	2486.2	2494.6	2521.5
	MCX Gold Oct	69772	70389	70580	70888	71196	71387	72004
	Spot Silver	26.82	27.43	27.61	27.92	28.22	28.41	29.02
	MCX Silver Sep	79418	80613	80982	81580	82178	82547	83742
	MCX Copper Aug	772.9	782.8	785.8	790.8	795.7	798.7	808.6
	MCX Zinc Aug	251.8	255.9	257.2	259.2	261.2	262.5	266.6
	MCX Lead Aug	183.5	185.3	185.9	186.8	187.7	188.3	190.1
	MCX Aluminium Aug	213.5	216.2	217.1	218.5	219.8	220.7	223.4
	MCX Crude Oil Aug	6388	6508	6545	6605	6665	6702	6822
	MCX Natural Gas Aug	170.57	176.56	178.41	181.40	184.39	186.24	192.23

Source: Bloomberg, KS Commodity Research



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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