

Commodities edge higher on softer dollar and renewed hopes of US rate cut

COMEX Gold prices strengthened on Wednesday as the dollar eased after dovish comments from Federal Reserve Chair Jerome Powell. Fed Chair Jerome Powell on Tuesday noted that the U.S. central bank still needs more data before cutting interest rates to ensure that recent weaker inflation readings give a true picture of what is happening to underlying price pressures.

WTI Crude Oil steadied near a two-month high on signs of a big drawdown in US crude stockpiles. Brent crude edged up, holding above \$86 a barrel, after slipping 0.7% on Tuesday. Meanwhile, escalating geopolitical tensions in the Middle East raised concerns about oil supply, as Israel continued its siege on Gaza, ordering Palestinians to evacuate Khan Younis ahead of a potential attack. OPEC’s oil output rose for a 2nd straight month in June due to increased production in Nigeria and Iran.

LME base metals trading positive on hopes of announcement of stimulus measures at China’s Third Plenum policy meeting due in mid-July. LME Copper trading positive for 4th consecutive session on a softer dollar amid renewed hopes of U.S. rate cuts and as supply jitters offset a dismal outlook for physical demand from top consumer China. Benchmark copper on the LME was up 1.34% at \$9,800 a metric ton while LME Nickel and Zinc trading higher by 1.46% and 1.02% respectively.

European natural gas prices nudged lower as brimming stockpiles and steady flows from Norway help keep the market at ease. Benchmark futures fell as much as 1.4% on Wednesday, after a marginal gain the previous day. Prices are hovering below €34 a megawatt-hour, a level many traders see as a ceiling for now as demand for the fuel remains low. (Bloomberg)

Investors will now eyeing data on ADP employment and weekly jobless claims data due later in the day, and the non-farm payrolls report due on Friday.

Date	IST	Currency	Data	Forecast	Previous	Importance
03-Jul-24	17:45	USD	ADP Non-Farm Employment Change	163K	152K	High
	18:00	USD	Unemployment Claims	234K	233K	High
	19:15	USD	Final Service PMI	55.0	55.1	Medium
	19:30	USD	ISM Service PMI	52.6	53.8	High
	20:00	USD	Crude Oil Inventories	-0.4M	3.6M	Low
	21:30	USD	Natural Gas Storage	29B	52B	Low

Source: Forex factory

TREND IS FRIEND- EVENING SESSION

COMMODITY	LTP	S2	S1	Pivot	R1	R2	Price Trend
MCX Gold Aug 24	72083	71474	71779	71989	72294	72504	BULLISH
MCX Silver Sep 24	91230	89176	90203	90919	91946	92662	BULLISH
MCX Bulldex Jul 24	18565	18388	18477	18538	18627	18688	BULLISH
MCX Crude oil Jul 24	6919	6888	6904	6934	6950	6980	BEARISH
MCX Natural Gas Jul 24	204.1	202.8	203.4	204.6	205.2	206.4	BEARISH
MCX Copper Jul 24	855.2	842.5	848.8	854.8	861.2	867.2	BULLISH
MCX Aluminium Jul 24	231.7	229.5	230.6	231.7	232.7	233.8	MILD BULLISH
MCX Lead Jul 24	189.0	187.9	188.4	189.0	189.5	190.1	NEUTRAL
MCX Zinc Jul 24	270.3	266.2	268.2	269.8	271.9	273.5	BULLISH
\$Spot Gold	2343	2319	2331	2339	2351	2360	BULLISH
\$Spot Silver	30.03	29.19	29.61	29.90	30.32	30.60	BULLISH

Price updated as on – 3:55 PM IST (Source: Bloomberg)

TREND IS FRIEND- EVENING SESSION- EXPLANATION

S, R and PP indicates Support, Resistance and Pivot points for the day respectively. The report is calculated based on the last traded price. We are using statistical formulas to determine the price trend. Bullish and Bearish are just an indication of the trend.



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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