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Commodities positive on geopolitical risks, China stimulus

Comex Gold jumps higher to trade near \$2,750 per ounce on Thursday after a sharp decline on Wednesday. However, geopolitical risks and increased investor interest in gold as a safe haven supported its price. Last session, drop was attributed to higher US bond yields and profit taking, following a recent record-high. Additionally, hedge funds and investors have been buying gold, further boosting its value. However, rising bond yields and technical indicators suggesting an overbought market led to a temporary decline in gold prices.

WTI Crude Oil surged more than 2% to trade above \$72 per barrel as tensions escalated in the Middle East. The threat of an Israeli retaliatory strike against Iran, coupled with US efforts to broker a ceasefire in Gaza and Lebanon, fueled concerns about regional stability and potential disruptions to oil supplies. The heightened tensions led to a surge in activity in oil derivatives markets, as traders sought to hedge against potential price spikes. While crude consumption in China has weakened, stronger demand signals from the US have provided some support.

LME base metals are trading higher on Thursday due to optimism surrounding China's potential announcement of fiscal stimulus measures. Markets anticipate a significant package to boost economic growth and achieve full-year targets. The recent implementation of monetary easing measures by Beijing has also contributed to the positive sentiment. LME Copper up 0.80% to trade near \$9,600 per ton benefited from a slight pullback in the dollar. LME Zinc surged to a 20-month high of \$3,284 per ton as backwardation steepened in cash to 3-month forward with rising anxiety about supply after major producer Teck Resources Ltd. lowered output targets following a fire at its Canadian smelter.

European natural gas prices have surged more than 3% on Thursday and gain for the fourth consecutive day due to supply disruptions and geopolitical tensions. Unplanned outages in Norway and maintenance at US export plants have tightened global supply. While Europe's gas storage is well-filled, escalating violence in the Middle East and uncertainties about gas transit through Ukraine pose risks to future flows.

Today, investors focus on the US Initial Jobless Claims for the week ending October 19, which is expected to increase slightly, while there is, anticipation of mixed results for the October PMI figures.

Date	IST	Currency	Data	Forecast	Previous
24-Oct-24	Day 3	All	BRICS Summit		
	18:00	USD	Unemployment Claims	243K	241K
	19:15	USD	Flash Manufacturing PMI	47.5	47.3
	19:15	USD	Flash Services PMI	55.0	55.2
	19:30	USD	New Home Sales	719K	716K

Source: Forex factory

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2693.8	2717.2	2724.5	2736.2	2748.0	2755.2	2778.7
	MCX Gold Dec	77338	77917	78096	78385	78674	78853	79432
	Spot Silver	32.83	33.62	33.87	34.27	34.66	34.91	35.71
	MCX Silver Dec	95120	96995	97574	98511	99448	100027	101902
	MCX Copper Oct	787.8	797.0	799.9	804.5	809.1	812.0	821.2
	MCX Zinc Oct	286.1	291.1	292.7	295.3	297.8	299.4	304.4
	MCX Lead Oct	178.0	179.7	180.3	181.1	181.9	182.5	184.2
	MCX Aluminium Oct	235.0	238.2	239.2	240.8	242.3	243.3	246.5
	MCX Crude Oil Nov	5849	5979	6020	6085	6150	6191	6321
	MCX Natural Gas Oct	188.73	195.46	197.54	200.90	204.26	206.34	213.07

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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