

# Commodity Overview

12-09-2024



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## Gold & Silver overview:

Gold prices remained volatile after the US Bureau of Labor Statistics has released the latest CPI data for August 2024. The annual inflation rate in the US slowed for a fifth consecutive month to 2.5% in August 2024, the lowest since February 2021, from 2.9% in July, and below forecasts of 2.6%. However, US core consumer prices, which exclude volatile items such as food and energy, rose by 0.3% from the previous in August of 2024, slightly above forecasts of a 0.2% increase, and picking up slightly from the 0.2% increase in July, which put pressure on gold prices yesterday.

Silver prices gained around 2% yesterday as the US CPI decreased to 2.9% in July, and unemployment rate remained steady, prompting markets to anticipate the Fed cutting interest rates by only 0.25% starting from the next FOMC meeting on September 17-18.

## Technical levels:

**GOLD** : Technically, upside movement is expected in gold today. It has support at 71500 and resistance at 72300.

**SILVER** : Technically, Silver prices are looking strong and prices are likely to move upwards in today's session. Silver has support at 83000 and resistance at 85000

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CRUDEOIL1!+NATURALGAS1!, 1D, MCX 05,753 H5,915 L5,713 C5,882 +160 (+2.80%) Vol189.855K  
Vol (50) 189.855K



## Technical levels:

**CRUDE OIL:** However, upside may remain limited and selling pressure is expected near the resistance levels. It has support at 5500 and resistance at 5800.

**NATURAL GAS:** Trend in natural gas may remain range-bound to the upside today. It has support at 180 and resistance at 200.

## Crude oil & Natural gas overview:

Oil prices were higher on Wednesday despite paring back some earlier gains, as traders waited to assess the impact of Hurricane Francine on production in the Gulf of Mexico. The storm is set to cut a path of destruction across the American mid-South in the coming days, and saw a slew of oil and gas producers halt output in the Gulf of Mexico. Meanwhile, despite rising stockpile in crude oil, prices gained around 3% yesterday.

U.S. natural gas futures moved higher on Wednesday, driven by conflicting weather reports and the looming threat of Hurricane Francine. Traders are focused on the storm's potential to disrupt Gulf of Mexico production, while also assessing the risk of reduced demand from cooler temperatures and power outages in the southern U.S. However, forecast of higher storage data capped the gained of natural gas yesterday.

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## Base metals overview:

The US August non-seasonally adjusted CPI year-on-year rate released last night was 2.5%, the fifth consecutive month of decline, hitting the lowest level since February 2021, below the market expectation of 2.6%. The non-seasonally adjusted core CPI year-on-year rate was 3.2%, flat with both expectations and the previous value, after four consecutive months of decline. Following the CPI data release, expectations for the US Fed to cut rates by a modest 25 basis points next week were strengthened, which is favorable for copper prices. Fundamentally, a large volume of imported copper was concentrated in domestic trade yesterday, increasing spot copper cathode supply. Traders actively sold, impacting the spot premiums and discounts. Consumption-wise, with the Mid-Autumn Festival approaching, downstream stockpiling sentiment has emerged, leading to a good overall consumption performance. Price-wise, the global market is closely monitoring the Fed's movements, and copper prices are expected to remain in a low-level fluctuation.

## Technical levels:

**COPPER:** Copper prices have been stable for five days, fluctuating within the narrow range of 797 to 778. A breakout on either side of this range could trigger a sharp move in that direction

**ZINC:** Zinc prices surged yesterday, forming a strong bullish candle following a two-day pause. The positive closing suggests a continuation of the uptrend, with support at 253 and resistance at 265.

**ALUMINUM:** Aluminum prices extended their bullish momentum yesterday, forming a strong bullish candle after a brief pause. This positive price action suggests that the underlying uptrend remains intact, with support at 219 and resistance at 226.

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