

# Commodity Overview

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## Gold & Silver overview:

Gold prices remained near record high in Comex amid growing bets that the Federal Reserve will cut interest rates by a bigger margin this week. Reports of a second assassination attempt on Republican presidential nominee Donald Trump also spurred some demand for safe havens, although Trump appeared to be unharmed. However, Asian trading volumes were somewhat limited by market holidays in Japan, China, South Korea and India.

Silver prices retreated slightly from recent peaks as traders are awaiting the Fed's meeting outcome, to be released tomorrow later in the day. The central bank is widely expected to cut interest rates on Wednesday, although markets are split between a 25 or 50 basis point cut. CME Fedwatch showed markets split exactly 50% over the two options, with bets on a bigger cut coming back into play on concerns over weakness in the labor market. Lower rates bode well for precious metals, given that they reduce the opportunity cost of investing in non-yielding assets.

## Technical levels:

**GOLD :** Technically, profit booking is expected in gold ahead of two days monetary policy meeting of US fed. Gold has resistance at 74000 and support at 72800.

**SILVER :** The day trend may remain range-bound in silver today. It has support at 88000 and resistance at 91000.

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## Crude oil & Natural gas overview:

Oil prices rose around 1.5% on Monday as continuing disruption to U.S. Gulf oil infrastructure balanced persistent demand concerns after a fresh round of Chinese data while investors await a likely cut to U.S. interest rates this week. Lower interest rates typically reduce the cost of borrowing, which can boost economic activity and lift demand for oil. However, a cut of 50 bps could also signal weakness in the U.S. economy, which could raise concerns over oil demand.

Natural gas continues to assess Hurricane Francine's outcome, which hit its producing area last week. Production interruptions in the Gulf of Mexico persist, lending support to prices. Recent U.S. Energy Information Administration (EIA) data revealed a tighter supply situation than expected, indicating potential supply limitations. However, Weather forecasts introduce a bearish element to the market. Predictions of milder temperatures in key consumption areas could reduce demand, potentially pushing prices downward.

## Technical levels:

**CRUDE OIL:** A range-bound movement is expected in crude oil today. It has support at 5770 and resistance at 6000.

**NATURAL GAS:** The range-bound to the upside move may continue in natural gas today. It has support at 190 and resistance at 205.

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## Base metals overview:

Copper is in a strong position because of high demand, limited supply, and more investment in energy transition projects.

In contrast, iron ore is facing challenges due to falling demand, especially from China's property sector, which has traditionally been a major consumer.

Copper prices have shown remarkable resilience in 2024, rising 6% year-to-date (YTD) despite global macroeconomic challenges.

One factor is tight mine supply; reduced output from mines and challenges in refining have constrained copper supply.

Treatment and refining charges (TC/RCs) have dropped sharply, highlighting the difficulties smelters face in processing copper under current market conditions.

Additionally, spending on energy infrastructure, particularly grid expansion projects related to decarbonization, has significantly supported copper demand.

## Technical levels:

**COPPER:** Copper is forming a double bottom pattern, with the neckline at 820. If the price breaks above the neckline, it could signal a bullish trend. Support lies at 794.

**ZINC:** Zinc is currently on a bullish trajectory, approaching its previous high, which could serve as resistance at 272. Support is anticipated at 262.

**ALUMINIUM:** Aluminium is continuing its upward trend, aiming for its previous peak. The next potential hurdle is at 235, while support lies at 226.

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