

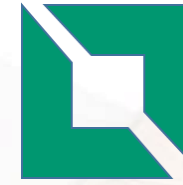
18-NOVEMBER-2024



# **COMMODITY WEEKLY REPORT**



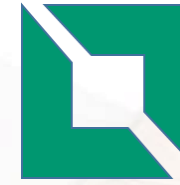
# UPCOMING KEY ECONOMIC EVENTS



Date	Event	Measure	Previous Value	Indication	Impact on Commodities
Monday, NOV 18	G20 Meetings				
Tuesday, NOV 19	EUR: Final Core CPI y/y	Percent	2.7%	Change in the price of goods and services purchased by consumers, excluding food, energy, alcohol, and tobacco	Positive for Gold & Silver (higher inflation often supports precious metal prices as inflation hedges)
Tuesday, NOV 19	EUR: Final CPI y/y	Percent	2.0%	Change in the price of goods and services purchased by consumers	Positive for Gold & Silver (higher inflation often supports precious metal prices as inflation hedges)
Wednesday, NOV 20	CNY: 1-y Loan Prime Rate	Percent	3.10%	Interest rate at which commercial banks lend to households and business	Positive for Copper (lower rates could stimulate economic activity and demand for industrial metals)
Wednesday, NOV 20	CNY: 5-y Loan Prime Rate	Percent	3.60%	Interest rate applied by commercial banks for mortgage loans	Positive for Copper (lower rates may increase demand for mortgages, benefiting the construction sector, which boosts industrial metals)
Wednesday, NOV 20	EUR: ECB Financial Stability Review				
Wednesday, NOV 20	USA: Crude Oil Inventories	Barrel		Change in the number of barrels of crude oil held in inventory by commercial firms during the past week	Negative for Crude Oil (higher inventories typically signal oversupply, leading to lower prices)
Thursday, NOV 21	USA: Unemployment Claims	Index		The number of individuals who filed for unemployment insurance for the first time during the past week	Positive for Gold (rising unemployment tends to lead to economic uncertainty, benefiting safe-haven assets)
Thursday, NOV 21	USA: Philly Fed Manufacturing Index	Index	10.3	Level of a diffusion index based on surveyed manufacturers in Philadelphia	Positive for Industrial Metals (strong manufacturing data implies higher demand for raw materials, including metals)
Friday, NOV 22	EUR: French Flash Manufacturing PMI	Index	44.5	Level of a diffusion index based on surveyed purchasing managers in the manufacturing industry	Positive for Copper (higher manufacturing PMI signals increased industrial activity and demand for metals)



# UPCOMING KEY ECONOMIC EVENTS



Date	Event	Measure	Previous Value	Indication	Impact on Commodities
Friday, NOV 22	EUR: French Flash Services PMI	Index	49.2	Level of a diffusion index based on surveyed purchasing managers in the services industry	Positive for Crude Oil (a strong services sector indicates higher energy demand, supporting oil prices)
Friday, NOV 22	EUR: German Flash Manufacturing PMI	Index	43.0	Level of a diffusion index based on surveyed purchasing managers in the manufacturing industry	Positive for Copper (Germany is a major industrial hub, and better PMI suggests increased demand for raw materials)
Friday, NOV 22	EUR: German Flash Services PMI	Index	51.6	Level of a diffusion index based on surveyed purchasing managers in the services industry	Positive for Crude Oil (same reasoning as the French Services PMI)
Friday, NOV 22	EUR: ECB President Lagarde Speaks				
Friday, NOV 22	EUR: Flash Manufacturing PMI	Index	46.0	Level of a diffusion index based on surveyed purchasing managers in the manufacturing industry	Positive for Copper (a strong PMI indicates growth in manufacturing, which boosts metal demand)
Friday, NOV 22	EUR: Flash Services PMI	Index	51.6	Level of a diffusion index based on surveyed purchasing managers in the services industry	Positive for Crude Oil (services growth indicates increased economic activity, supporting energy demand)
Friday, NOV 22	USA: Flash Manufacturing PMI	Index	48.5	Level of a diffusion index based on surveyed purchasing managers in the manufacturing industry	Positive for Copper (higher U.S. manufacturing activity supports demand for industrial metals)
Friday, NOV 22	USA: Flash Services PMI	Index	55.0	Level of a diffusion index based on surveyed purchasing managers in the services industry	Positive for Crude Oil (higher services PMI indicates stronger economic activity, boosting energy demand)
Friday, NOV 22	USA: Revised UoM Consumer Sentiment	Index	73.0	Level of a composite index based on surveyed consumers	Positive for Crude Oil (improved consumer sentiment often translates into higher consumer spending and energy demand)



# COMMODITY OVERVIEW

GOLD1!+SILVER1!, 1W, MCX O167,971 H168,608 L160,144 C162,367 -6,174 (-3.66%) Vol125.956 K  
Vol (50) 125.956 K



## **Bullion overview:**

Gold prices on Friday slumped to their worst week since 2021, as the Federal Reserve signalled no need for speed on rate cuts, pushing Treasury yields and the dollar higher. The yellow metal was also battered by a risk-on rally in the wake of a Donald Trump victory in the 2024 presidential election. Markets were also uncertain over the outlook for interest rates under Trump. Losses deepened this week as the dollar shot up to one-year highs amid increasing uncertainty over the near-term outlook for interest rates. U.S. consumer and producer inflation read sticky for October, while comments from Federal Reserve officials suggested the central bank was more cautious over cutting interest rates further. Fed Chair Jerome Powell said resilience in the U.S. economy meant the central bank could take its time to cut rates further. His comments saw traders pare expectations for a December rate cut. Traders were seen pricing in a 61% chance for a 25 basis point rate cut in December, down from an 85.7% chance seen on Thursday. Traders also saw a 39% chance rates will remain unchanged, CME Fedwatch showed. The prospect of higher-for-longer rates bodes poorly for gold and other precious metals.

## **Technical levels:**

Comex gold futures slipped to \$2570 from the all time high in the previous week, and facing a resistance at \$2800. The gold prices have crucial hurdle at the long-term upward channel line. The gold prices have formed an evening star candle pattern followed by a bearish belt hold on weekly chart. The prices have breached the crucial support of \$2600 which indicates more downside in the coming days. The MACD on the weekly chart has given a negative divergence while RSI has slipped below 70 levels, which indicates a downward trend for short-term. In MCX, gold has resistance at 75800 and any rise in prices towards the resistance levels may witness a selling pressure in gold. It has support at 73000.

The silver prices remained down for three consecutive weeks and have fallen below \$31 in the previous week. The prices are likely to be in the range of \$33 to \$30, while upper range may witness a selling pressure. The RSI shows bearish divergence on weekly chart while MACD has given a bearish crossover. However, prices are still well maintained above the 50, 100 and 200-SMA.

# COMMODITY OVERVIEW



## Energy pack overview :

Oil prices settled lower Friday, suffering a weekly loss as worries about waning Chinese demand and a bigger-than-expected build in U.S. inventories weighed. Both contracts are set to post weekly falls of over 4%, with losses initially sparked by unimpressive stimulus measures from China, especially as Beijing declined to dole out more targeted fiscal measures to support private spending and the property market. The Organization of Petroleum Exporting Countries also cut its 2024 demand outlook for a fourth consecutive month, citing concerns over China. Sentiment towards China was also strained by the prospect of a renewed trade war with the U.S., as Donald Trump won the 2024 presidential election. Trump has vowed to impose steep trade tariffs on the country. US government data, released on Thursday, showed that U.S. oil inventories grew nearly 2.1 million barrels (mb) in the week to Nov. 8, more than expectations for a 0.4 mb build and a second straight week of outsized build. The reading pushed up concerns over a U.S. supply glut, especially as production remained close to record highs of over 13 million barrels per day. Production is also expected to increase in a Trump presidency.

## Technical levels:

The NYMEX futures crude oil prices remained down in the previous week and are trading near the support area of \$66. The prices are trading in a narrow range of \$73 to \$67 and trading with negative bias at this level. The prices are unable to bounce despite a dome shaped price pattern, formed on weekly chart, which indicates that the downside move may continue in crude oil this week. The momentum indicators are slumbry and continue indicating a downside movement in the coming days. The MCX December futures crude oil has support at 5500 and resistance at 6300.

The November futures natural gas prices remained volatile and gained slightly in the previous week. The natural gas is getting support of 100-SMA on weekly chart with moderate buying momentum as shown by MACD histogram. However, prices are still trading below 200-SMA and trading in a wide range of 262 to 200 with positive bias on weekly chart.

# COMMODITY OVERVIEW

COPPER1!+ALUMINIUM1!+ZINC1!, 1W, MCX O1,358.60 H1,360.60 L1,287.65 C1,314.55 -41.35 (-3.05%) Vol78.678K  
Vol (50) 78.678K



## Base metals overview:

Copper prices experienced volatility following the US election but ultimately remained range-bound, with a slight downside bias. China's latest stimulus package fell short of expectations, failing to boost copper demand and raising concerns about the country's economic recovery. A Trump presidency raises questions about future US infrastructure spending and its impact on copper demand, particularly in the renewable energy sector. Overall, the Copper Monthly Metals Index (MMI) retraced to the downside, with a 3.56% decline from October to November. After outperforming the base metal category last month, Comex (CME) copper prices found a peak on October 3. This was followed by a modest retracement that saw copper prices fall 5.21% from the close of September. Despite copper experiencing significant volatility after the election, does this mean that more market volatility on the way. The price of copper's reaction to the U.S. election proved bumpy but sideways. Prices showed outsized swings following the results, but still failed to break out of their short-term range.

## Technical levels:

The November futures copper prices extended the losses of prior week and fell below the support levels of 800 last week. The prices are continually forming lower high on weekly chart and have formed a bearish candle at the recent peak in last week. Selling position can be initiated near the resistance of 823. While, it has support at 780.

The November futures zinc remained down for third consecutive week as a bearish dogi at the recent peak putting pressure on the prices. Any rise in prices towards 281 levels could be a selling opportunity this week.

The aluminum prices has sustained near the recent peaks, despite a selling in base metals pack last week, which shows the strength in the prices. Buying position can be initiated on decline for this week. However, weakness in metals pack may keep the upside limited.





# COMMODITY DERIVATIVES READING



## **MCX Gold:**

The CBOE gold volatility index remained between 17% to 18% last week. At the same time, implied volatility in the Comex division remained near 14% for the December option contracts. The ITM call option's implied volatility (IV) has been increased slightly while IV of puts remained neutral which indicates that trend may remain down this week. The MCX November gold option's put/call ratio declined to 0.8 from 1.76, compared to last week, which indicates a bearish trend for this week.

## **MCX Silver:**

The nearest strike price in silver with a high OI is 85,000 puts and 90,000 calls. While, PCR declined to 0.6 from 0.7 which may favor bearish movement this week. The Comex futures silver has formed a volatility smile, which indicates a swing movement this week.

## **MCX Crude Oil:**

The December futures crude oil options contract has a high OI at 5800 calls and 5500 puts. The CBOE crude oil volatility index declined to 30% in the previous week. The PCR in MCX has declined to 0.3 from 1, compared to last week, which could be favorable for down side move. The crude oil has formed a reverse volatility skew in the Comex division, which is a sign of bearish trend.

## **MCX Natural Gas:**

The implied volatility of ITM call and puts options has increased sharply last week in NYMEX natural gas futures. While, the PCR in MCX rose to 0.93 from 0.8, compared to last week, which indicates that the trend may remain upside this week. The Natural gas has a high OI at 250 calls and 230 puts in MCX.

# WEEKLY PIVOT LEVELS

PAIR	R3	R2	R1	P	S1	S2	S3
<b>GOLD</b>	<b>79844</b>	<b>78406</b>	<b>76176</b>	<b>74738</b>	<b>72508</b>	<b>71070</b>	<b>68840</b>
<b>SILVER</b>	<b>95889</b>	<b>93764</b>	<b>91093</b>	<b>88968</b>	<b>86297</b>	<b>84172</b>	<b>81501</b>
<b>CRUDEOIL</b>	<b>6173</b>	<b>6067</b>	<b>5868</b>	<b>5762</b>	<b>5563</b>	<b>5457</b>	<b>5258</b>
<b>NATURAL GAS</b>	<b>279.6</b>	<b>267.0</b>	<b>252.3</b>	<b>239.7</b>	<b>225.0</b>	<b>212.4</b>	<b>197.7</b>
<b>ALUMINIUM</b>	<b>267.0</b>	<b>258.1</b>	<b>250.4</b>	<b>241.5</b>	<b>233.8</b>	<b>224.9</b>	<b>217.2</b>
<b>ZINC</b>	<b>299.5</b>	<b>292.4</b>	<b>284.6</b>	<b>277.5</b>	<b>269.7</b>	<b>262.6</b>	<b>254.8</b>
<b>COPPER</b>	<b>878.1</b>	<b>857.3</b>	<b>826.2</b>	<b>805.4</b>	<b>774.4</b>	<b>753.6</b>	<b>722.5</b>



# COMMODITY OVERVIEW

## Nirpendra Yadav Sr. Research Analyst

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