MONTHLY BULLETIN (RESEARCH) Date 6th Sep 2024

GOLD

Market Outlook and Fundamental Analysis:

Bullion Index register a monthly gain after 2-consecutive months of fall thanks to weakness in dollar index after US FED expected to cut rate as early as in next meeting and safe haven buying after ongoing geopolitical tension makes bullion especially gold at all time high in the month of Aug. Bullion generally remains positive during geopolitical as well financial crisis and gold is known as a safe investment during economic and geo-political crisis, but a high-interest rate environment makes the non-yielding asset less attractive to investors in last year and still this will play a vital role to decide prices in months to come. For the month of Aug Spot Gold register 7 out last 8-months its monthly gain and in Aug rally 2% while Spot Silver register straight 3rd month of fall pressure from weak industrial demand due to less attractive global economic situation and fall by less than 1%. Other side Gold in domestic future exchange gain by more than 2% and Silver gain almost 1.5% which makes bullion index end with marginal gain.

The dollar fell more than 2% against other major currencies in August, marking its biggest monthly drop this year and providing some relief to economies. The dollar's downtrend, which has long been anticipated, is driven by expectations that the U.S. Federal Reserve will cut interest rates as the economy weakens.

US Nonfarm payrolls, a gaunge to interest rates decision shows, U.S. employment increased less than expected in August, but a drop in the jobless rate to 4.2% suggested an orderly labor market slowdown continued and probably did not warrant a big interest rate cut from the Federal Reserve this month. Nonfarm payrolls increased by 142,000 jobs last month after a downwardly revised 89,000 rise in July against Reuters had forecast payrolls increasing by 160,000 jobs after a previously reported 114,000 gain in July. August payrolls have a tendency to initially print weaker relative to the consensus estimate and recent trend before being revised higher later. Average hourly earnings increased 0.4% in August after rising 0.2% in July. Wages increased 3.8% year-on-year after advancing 3.6% in July. Still-solid wage growth continues to underpin the economy through consumer spending.

U.S. private employers hired the fewest number of workers in 3-1/2-years in August and data for the prior month was revised lower, potentially hinting at a sharp labor market slowdown. Private payrolls increased by 99,000 jobs last month, the smallest gain since January 2021, after rising by a downwardly revised 111,000 in July, the ADP National

Employment Report showed and against Reuters had forecast private employment would advance by 145,000 positions after a previously reported gain of 122,000.

The number of Americans filing new applications for jobless benefits declined last week as layoffs remained low, which could help to allay fears that the labor market was deteriorating. Initial claims for state unemployment benefits dropped 5,000 to a seasonally adjusted 227,000 for the week ended Aug. 31 against Reuters had forecast 230,000 claims for the latest week.

Excluding the volatile food and energy components, the PCE price index of US rose 0.2% last month, matching the increase in June. In the 12 months through July, core inflation increased 2.6% after advancing by the same rate in June. The Fed tracks the PCE price measures for monetary policy, and has maintained its policy rate in the current 5.25%-5.50% range for more than a year, having raised it by 525 basis points in 2022 and 2023.

U.S. employers added far fewer jobs than originally reported in the year through March, the Labor Department said, as the department's estimate for total payroll employment for the period from April 2023 to March 2024 was lowered by 818,000. The revision represented a total downward change of about 0.5% and means that monthly job gains during the period averaged roughly 174,000, compared to the previously reported figure of 242,000. If the tally holds through the final revision in February, it would be the largest downward revision since the 902,000 reduction to employment in March 2009. Private employment growth was revised down by 819,000, or 0.6% below what had been previously estimated by the department. Government employment was basically unchanged. In last year's second benchmark revision, released this past February, the department revised down its estimate for total employment in March 2023 by 40,000.

At his keynote speech to the Kansas City Fed's annual economic conference in Jackson Hole, Wyoming, Federal Reserve Chair Jerome Powell endorsed an imminent start to interest rate cuts, saying further cooling in the job market would be unwelcome and expressing confidence that inflation is within reach of the U.S. central bank's 2% target. "The time has come for policy to adjust, Powell said in a highly anticipated speech to the Kansas City Fed's annual economic conference in Jackson Hole, Wyoming The direction of travel is clear, and the timing and pace of rate cuts will depend on incoming data, the evolving outlook, and the balance of risks. Powell said his "confidence has grown that inflation is on a sustainable path back to 2%," after rising to about 7% during the COVID-19 pandemic, and the upside risks have diminished. Meanwhile, he said, a slowdown in the labor market is unmistakable and the downside risks to employment have increased.

The Federal Reserve appears to be very much on track for an interest rate cut in September after a "vast majority" of officials said such an action was likely, according to the minutes of the U.S. central bank's July 30-31 meeting. The minutes, even showed some policymakers would have been willing to reduce borrowing costs at last month's gathering. At the July meeting, most policymakers thought that "if the data continued to come in about as expected, it would likely be appropriate to ease policy at the next meeting," the minutes said. The minutes also showed that a dwindling camp of policymakers feared a premature easing in monetary policy could restart inflation.

U.S. single-family homebuilding dropped to near a 1-1/2-year low in July due in part to Hurricane Beryl's disruption of activity, but rising new housing supply could limit a rebound. Single-family housing starts, which account for the bulk of homebuilding, tumbled 14.1% to a seasonally adjusted annual rate of 851,000 units last month, the lowest level since March 2023. Single-family housing starts dropped 14.8% on a year-on-year basis in July.

Several Chinese banks have been given new gold import quotas from the central bank, anticipating revived demand despite record high prices, sources with knowledge of the matter told Reuters. Strong Chinese buying was a key factor in bullion's March-April rally and if demand picks up again, it could further boost prices. China's central bank held back on buying gold for its reserves for a third straight month in July and gold holdings stood at 72.8 million fine troy ounces at the end of last month. The PBOC was the world's largest single buyer of gold in 2023, with net purchases of 7.23 million ounces, according to the World Gold Council (WGC).

Euro zone business activity received a boost from France hosting the Olympic Games last month but the malaise in the bloc is likely to return once the Paralympics wraps up as demand remains weak, a survey showed. As HCOB's composite PMI for countries in the currency union, compiled by S&P Global and seen as a good gauge of overall economic health, jumped to 51.0 in August from July's 50.2. That exceeded the 50 mark separating growth from contraction for a sixth consecutive month but was a tad below a preliminary 51.2 estimate.

Euro zone negotiated wage growth slowed last quarter, as Growth in negotiated wages slowed to 3.55% in the second quarter from 4.74% 3-months earlier, primarily because of a major slowdown in Germany, the bloc's biggest economy, data from the European Central Bank showed.

Australia's economy stayed stuck in the slow lane in the June quarter as stiff borrowing costs and stubborn inflation squeezed consumers, leaving government spending as the main driver of growth. Real GDP rose 0.2% in the second quarter, unchanged for 3-straight quarters, and was just under market forecasts of 0.3%. Annual growth slowed to 1.0% from 1.3% the previous quarter, lows last seen during the 1990s recession, barring distortions from the pandemic.

U.S. consumer spending increased solidly in July, suggesting the economy remained on firmer ground early in the third quarter, as Consumer spending, which accounts for more than two-thirds of U.S. economic activity, rose 0.5% last month after advancing by an unrevised 0.3% in June.

The U.S. economy grew faster than initially thought in the second quarter amid strong consumer spending, while corporate profits rebounded, which should help to sustain the expansion. GDP increased at a 3.0% annualized rate last quarter as per second estimate of second-quarter GDP. That was an upward revision from the 2.8% rate reported last month and against expected 2.8%. The economy grew at a 1.4% pace in the first quarter.

U.S. single-family home prices fell in June, leading to the smallest annual increase in nearly a year, as higher mortgage rates pushed buyers to the sidelines and boosted housing supply. House prices dipped 0.1% on a m-o-m basis after being unchanged in May, according to the Federal Housing Finance Agency. They increased 5.1% in the 12 months through June, the smallest y-o-y rise since July 2023, after advancing by an upwardly revised 5.9% in May. The rise in annual house prices was previously reported to have been 5.7% in May. Prices were up 0.9% in the second quarter compared to the January-March quarter. They increased 5.7% between the second quarter of 2023 and the April-June quarter this year.

U.S. producer prices increased less than expected in July as a rise in the cost of goods was tempered by cheaper services, indicating that inflation continued to moderate. The PPI for final demand gained 0.1% last month after rising by an unrevised 0.2% in June against economists polled by Reuters had forecast the PPI gaining 0.2%. In the 12 months through July, the PPI increased 2.2% after climbing 2.7% in June.

Inflation in the euro zone fell to its lowest level in three years in August, setting the stage for a further cut in the European Central Bank's interest rates next month despite an Olympics-driven surge in the price of services. Inflation in the 20 countries sharing the euro currency fell to 2.2% this month, the slowest pace since July 2021 and closing in on the ECB's 2% target, according to a flash reading by the European Union statistics office, Eurostat.

British consumer confidence held at an almost three-year high in August, bolstered by improving sentiment around personal finances and major purchases, according to a survey, as The GfK Consumer Confidence Index, Britain's longest-running gauge of economic morale among members of the public, was steady in August at -13, matching July's 34-month high and against a Reuters poll had pointed to a reading of -12.

British business activity sped up this month and cost pressures were the weakest in over three years, that signalled growth momentum going into the second half of 2024. UK S&P Global Composite PMI rose in August to 53.4 from 52.8.

British consumer price inflation increased for the first time this year in July, but the rise was smaller than expected as services prices - closely watched by the Bank of England -

rose less rapidly. The annual rate of CPI increased to 2.2% after two months at the Bank of England's 2% target, coming in slightly below the median 2.3% forecast in a Reuters poll of economists. The central bank expected CPI to rise to 2.4% in July and reach around 2.75% by the end of the year as the effect of sharp falls in energy prices in 2023 faded, before returning to 2% in the first half of 2026. British inflation peaked at a 41-year high of 11.1% in October 2022 driven by a surge in energy and food prices after Russia's full-scale invasion of Ukraine as well as COVID-19 labour shortages and supply chain disruption. Annual services price inflation fell to 5.2% in July from June's 5.7%, below all forecasts in a Reuters poll and the lowest since June 2022. BoE staff had predicted a drop to 5.6%.

British pay grew at its slowest pace in nearly two years, likely reassuring the Bank of England that inflation pressures are easing, and there was a surprise drop in unemployment. Average weekly earnings, excluding bonuses, were 5.4% higher than a year earlier in the three months to the end of June, down from 5.8% in the three months to May and the lowest since August 2022, the Office for National Statistics said. UK regular pay growth slows to 5.4% from 5.8% and Unemployment unexpectedly drops to 4.2% from 4.4%. The number of people in work rose by 97,000, far more than the 3,000 forecast by economists. The BoE is more focused on private-sector pay which it forecasts will slow to 5% in late 2024 and 3% in late 2025. The number of unfilled job vacancies fell to a three-year low of 884,000 in the three months to July, down from 1.3 million in mid-2022 but still higher than in early 2020.

Bank of England Governor Andrew Bailey said on Friday that he thought longer-term inflation pressures were easing but further interest rate cuts would not be rushed because it was still too soon to be sure inflation was beaten. In a speech at a central banking conference organised by the Federal Reserve in Jackson Hole, Bailey said the knock-on impacts of the leap in prices in 2022 appeared less damaging than the BoE had feared. Bailey said then that the BoE would "be careful not to cut interest rates too quickly or by too much".

Australian inflation slowed to a four-month low in July as government rebates on electricity bills kicked in, as CPI rose at an annual pace of 3.5% in July, down from 3.8% in June, Australian Bureau of Statistics data showed. The figure was slightly above forecasts of 3.4%, leading markets to slightly lengthen the odds of a first easing from the Reserve Bank of Australia in November to 48.4%, from 58% before. On a monthly basis, the CPI was flat in July from June as electricity prices fell 6.4%, and petrol dropped 2.6%, but rents, food and gas prices rose.

New Zealand's central bank slashed its benchmark rate for the first time since March 2020 and flagged more cuts over coming months, saying inflation was nearing its 1% to 3% target. The decision to reduce rates by 25 basis points to 5.25% came almost a year ahead of the Reserve Bank of New Zealand's (RBNZ) own projections, taking some market players by surprise and prompting bets of an aggressive easing path through to the end of 2025. RBNZ cuts rates by 25 bps to 5.25%, first easing in over 4 yrs. Swaps shifted to imply another 32 basis points of easing by October and 71 basis points of easing by year end. Rates are seen near 3.0% by the end of 2025, well below the RBNZ's projection. The RBNZ's forward guidance suggested at least three more cuts by the middle of next year, projecting the cash rate at 4.9% in the fourth quarter of 2024 and 4.4% in the second quarter of 2025. A global front-runner in withdrawing pandemic-era stimulus, the RBNZ lifted rates 525 basis points since October 2021 to curb inflation in the most aggressive tightening since the official cash rate was introduced in 1999.

New Zealand's central bank governor Adrian Orr raised the distinct prospect of cutting rates another 50 basis points by year-end, saying "I would love to be delivering that" in explicit comments setting the course for decisive policy easing. The central bank chief added his preference was to continue making further cuts through 2025, backing economists expectations for a series of reductions over the next year. The RBNZ's own guidance saw the official cash rate at 3.85% by the end of 2025 from 5.25% now, while market pricing is betting on a 3.0% handle by then.

Hong Kong's economy expanded by 3.3% in the second quarter from a year earlier, adding that the economy should continue to grow. The economy expanded by 2.7% in the first quarter of 2024. Hong Kong, a major financial hub, is struggling to bounce back after a three-year COVID-19 lockdown. Although visitor arrivals are increasing, there are signs tourists are spending less.

Separately, Global physically backed gold exchange traded funds (ETFs) saw the fourth consecutive month of inflows in August due to additions to holdings by North America- and Europe-listed funds, the World Gold Council (WGC) said. Gold ETFs, storing bullion for investors, are a major category of investment demand for the precious metal , which touched a record high of $2,531.60 per ounce on Aug. 20 amid bets on upcoming U.S. interest rate cuts. Gold ETFs saw the inflow of 28.5 tons, or $2.1 billion, in August, bringing their collective holdings to 3,182 tons, the WGC, said in a research note. A stronger gold price and recent inflows pushed the total assets under management to a month-end peak of $257.3 billion in August.

German industrial production fell more than expected in July, driven mainly by weak activity in the automotive sector, spurring fears that Europe's largest economy could contract again in the third quarter. Production fell by 2.4% compared with the previous month, as per the federal statistics office data and against Reuters had predicted a 0.3% fall.

German business morale fell for a third consecutive month in August, as business climate index fell to 86.6 in August from 87.0 in July, though it came in above a forecast by analysts polled by Reuters for a reading of 86.0.

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South Korea's consumer inflation slowed in August to the weakest in nearly 3-1/2 years, supporting market expectations for an easing of monetary policy as early as next month. The CPI rose 2.0% from a year earlier, after gaining 2.6% the previous month, marking the slowest annual rise since March 2021.

South Korea's central bank kept interest rates unchanged for a 13th straight meeting on Thursday, as policymakers prioritised the need to keep stubborn inflation in check even as the case for rate cuts later this year grows. The Bank of Korea held its benchmark interest rate at 3.50% at its monetary policy review, as expected.

Taiwan's export orders rose more than expected in July as demand for chips used in artificial intelligence applications continued to soar and the government said it expects the momentum to extend into August. Export orders last month jumped 4.8% to $50.03 billion from a year earlier, that beat the 2.6% gain forecast in a Reuters poll, and exceeded June's 3.1% expansion. The ministry said it expects export orders in August will increase between 6.7% and 11.0% year-on-

Singapore's key consumer price rose 2.5% in July from a year earlier, coming in below both the 2.9% forecast in a Reuters poll, and the 2.9% rise in June. It was the smallest annual increase in the core price index since February 2022, when it rose 2.2%. Core inflation was running at 3.1% in the first seven months of the year from the same period in 2023, Singapore Department of Statistics said.

On data side, Australian home prices nudged higher in August, posting a 19th straight monthly rise, though the pace of growth showed some signs of slowing. Figures from property consultant CoreLogic showed national home prices rose 0.5% in August, slightly above the downwardly revised 0.3% rise in July. Prices, which have continued to hit record highs since bottoming out early last year, are up 7.1% from a year ago. British house prices unexpectedly fell in August for their first monthly drop since April but the outlook for the property market is likely to strengthen, Nationwide Building Society, a major mortgage lender, said. House prices slipped by 0.2% on the month, Nationwide said. In annual terms, prices were 2.4% higher than in August last year, the fastest increase since December 2022. New Zealand's business confidence jumped in August to the highest level in a decade as forward-looking activity indicators rose strongly, an ANZ Bank survey showed.

India is the world's second biggest consumer of gold, economic growth slowed to 6.7% year-on-year in the April-June quarter as a decline in government spending during national elections weighed, but it remained the world's fastest-growing major economy. The rise in GDP was less than a 6.9% expansion forecast by a Reuters, and compared to 7.8% growth in the previous quarter. The Gross Value Added (GVA), seen by economists as a more stable measure of growth, increased by 6.8% in April-June from a year earlier, compared to 6.3% in the previous quarter.

India's silver imports are on course to nearly double this year due to rising demand from solar panel and electronics makers, and as investors bet the metal will give better returns than gold, leading importers said. India imported 3,625 metric tons of the white metal last year. This year's purchases could rise to between 6,500 and 7,000 tons due to the rising industrial demand, said CEO of Amrapali Group Gujarat, a leading silver importer. India's silver imports in the first half of 2024 jumped to 4,554 tons from 560 tons a year ago, trade ministry data showed. Due to depleted inventories in 2023, industrial silver buyers have been stockpiling the metal this year to guard against rising prices. India imports silver mainly from the United Arab Emirates, Britain and China.

Despite the moderation seen in India's first quarter GDP, India is likely to achieve full year growth of 7.2% as projected, the RBI Governor Shaktikanta Das said. Fundamental growth drivers of the Indian economy are not slowing, they are gaining momentum and this gives us confidence to say that the Indian growth story remains intact," Das said in a speech at the annual FIBAC banking conference. Das said currently the balance between inflation and growth is well poised but reiterated the need to maintain price stability to support growth over the medium to longer term.

On domestic Data update, Activity in India's dominant services sector rose at its fastest pace in five months in August as demand remained resilient amid easing inflationary pressures, as HSBC final India Services PMI, compiled by S&P Global, rose to 60.9 in August, up from July's 60.3 and exceeding a estimate of 60.4. The reading, which has topped the 50-mark separating growth from contraction since August 2021, was above the long-run average and marked the highest level since March. India's manufacturing activity growth eased to a three-month low in August as demand softened significantly, a private-sector survey showed. The HSBC final India Manufacturing PMI, compiled by S&P Global, fell for a second month in August, dropping to 57.5 from July's 58.1 and below a expected of 57.9. Despite falling, the index beat its average and held above the 50-mark that separates growth from contraction, where it has been since July 2021. India's infrastructure output in July rose 6.1% year-on-year, helped by steel and electricity output. Infrastructure output growth in June was revised to 5.1% from 4%. India's business activity extended its robust growth streak in August as a stronger services industry offset a slight slowing in manufacturing expansion, according to a survey. HSBC's flash India Composite PMI, compiled by S&P Global, dipped slightly to 60.5 in July from last month's final reading of 60.7, in line with a Reuters forecast. India's trade deficit widened in July, hurt by weak exports, amid renewed doubts about the resilience of the global economy. The merchandise trade deficit was $23.5 billion in July, higher than economists' expectation of $21.35 billion, according to a Reuters poll. In June, the trade deficit was $20.98 billion. India's merchandise exports were $33.98 billion in July, while imports were $57.48 billion, the data showed. In June, merchandise exports were $35.20 billion, while imports were $56.18 billion. India's wholesale price inflation slowed in July mainly due to a fall in vegetable prices, government data showed. The WPI rose 2.04% in July from a year earlier, compared with a 3.36% rise in June and against economists polled by Reuters had expected a 2.39% gain during the month.

Going ahead, Gold likely to continue its northward journey with record high prices on sight in 2024, when the fundamentals of a dovish pivot in U.S. interest rates, continued geopolitical risk, and central bank buying are expected to support the market. To makes bullion attractive assets class, we need to see stronger demand from investors, such as a pickup in ETF inflows, continue central banks buying and for all that weaker U.S. economic data and lower inflation is needed, so that the Fed sounds more dovish.

Technical Outlook:

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

In COMEX GOLD is trading at $2505

Expected support and Resistance level for the month

Gold	S1	S2	R1	R2
COMEX/DG CX ($)	2470	2430	2535	2575
MCX (Rs.)	70800	70000	72300	73500

Mcx Trend seen Bullish as long S1 hold, while Sustain close above R1 seen prices towards 73400-73500.

SILVER

Technical Outlook:

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

Expected support and Resistance level for the month

Silver	S1	S2	R1	R2
COMEX/DG CX ($)	27.70	26.0	30.30	32.50
MCX (Rs.)	82200	80500	86000	88800

MCX trend seen Bearish as long hold R1, While Sustain below 82000 seen towards 80500-78300.

CRUDE OIL

Market Outlook and Fundamental Analysis

Energy complex register 2nd consecutive monthly fall in Aug due to demand concern after weak economic numbers from China as well western countries added by higher Inventory and lower off take from Importing countries and schedule production increase by OPEC+ from Oct at the time when demand also hit and market flood with stocks. pressure energy complex. However fall in dollar index FED expected cut fail to support prices. Benchmark Brent crude and WTI fall by almost 5% to register fresh Feb month low during Aug month.

OPEC+ has agreed to delay a planned oil output increase for October and November, the producers group said after crude prices hit their lowest in nine months, adding that it could further pause or reverse the hikes if needed. Eight members of OPEC+, which is made up of the OPEC and allies led by Russia, that had been scheduled to raise output from October held a virtual meeting earlier, OPEC said in a statement. The eight participating countries have agreed to extend their additional voluntary production cuts of 2.2 million barrels per day for two months until the end of November 2024," OPEC said. OPEC+'s planned October hike was for 180,000 bpd, a fraction of the 5.86 million bpd of output it is holding back, equal to about 5.7% of global demand, to support the market due to uncertainty about demand and rising supply outside the group. OPEC+ ministers hold a full meeting of the group to decide policy on Dec. 1. A group of top OPEC+ ministers called the Joint Ministerial Monitoring Committee that can recommend changes gathers on Oct. 2.

US EIA latest weekly Inventory data shows, crude oil inventories fell to their lowest since September 2023 as imports dropped, while gasoline stockpiles rose with the end of the summer driving season, the Energy Information Administration (EIA) said. Crude inventories, excluding the Strategic Petroleum Reserve, fell by 6.9 million barrels to 418.3 million barrels in the week ending Aug. 30, the EIA said, against expectations in a Reuters poll for a 993,000-barrel draw. Net U.S. crude imports fell last week by 853,000 barrels per day (bpd) to 2.0 million bpd, the EIA said, while exports rose 85,000 bpd to 3.8 million bpd. Refinery crude runs rose by 36,000 bpd in the week, while refinery utilization rates were unchanged at 93.3% of total capacity. Gasoline stocks rose by 800,000 barrels in the week to 219.2 million barrels, the EIA said, compared with expectations for a 700,000-barrel draw. Distillate stockpiles, which include diesel and heating oil, fell by 400,000 barrels in the week to 122.7 million barrels, versus expectations for a 500,000-barrel rise, the EIA data showed.

OPEC oil output fell in August to its lowest since January, a Reuters survey found, as unrest that disrupted Libyan supply added to the impact of ongoing voluntary supply cuts by other members and the wider OPEC+ alliance. The OPEC pumped 26.36 million barrels per day last month, down 340,000 bpd from July, the survey found. This was the lowest total since January 2024, according to Reuters surveys. OPEC pumped about 220,000 bpd more than the implied target for the nine members covered by supply cut agreements, with Iraq still accounting for the bulk of the excess, the survey found. e Reuters survey aims to track supply to the market and is based on shipping data provided by external sources, LSEG flows data, information from companies that track flows such as Kpler and Petro-Logistics, and information provided by sources at oil companies, OPEC and consultants.

Greater operating efficiencies in the top U.S. shale patch are squeezing out more oil without higher spending, according to the latest output numbers, which will boost global oil market supplies as OPEC also plans to unwind its output cuts later in the year. Producers are extending their wells to as much as three miles, squeezing more wells onto a single drilling pad and fracking several wells at once, boosting production, according to industry experts. Taken together, these efficiency gains have led several big producers to raise their full-year shale oil production targets.

The IEA, which represents industrialised countries, latest report shows, kept its 2024 global oil demand growth forecast unchanged but trimmed its 2025 estimate, citing the impact of a weakened Chinese economy on consumption. "Weak growth in China, following the post-Covid surge of 2023, now significantly drags on global gains," the IEA said in its monthly oil report. The U.S. summer driving season is expected to be the strongest since the pandemic, the IEA said, adding supply cuts by the Organization of the Petroleum Exporting Countries and allies (OPEC+) had tightened the physical market. World oil demand will rise by 950,000 barrels per day (bpd) in 2025, the IEA said, down 30,000 bpd from the previous forecast. It left this year's growth forecast unchanged at 970,000 bpd. Outside the developed countries of the OECD, demand in the second quarter of this year was the slowest since the pandemic year of 2020, the IEA said. China’s share of this demand growth is expected to fall to about a third in 2024, compared to just over two thirds in 2023.

The U.S. Energy Information Administration (EIA) forecast tighter supply and demand balances for U.S. oil markets this year, while also lowering its outlook for crude prices, according to its Short-Term Energy Outlook. The EIA lifted its forecast for 2024 U.S. oil demand by 100,000 bpd to 20.5 million bpd. It left its 2024 world oil demand growth forecast unchanged, with consumption increasing year-over-year by 1.1 million bpd to 102.9 million bpd. U.S. oil production, meanwhile, will grow by 300,000 bpd this year to a record 13.23 million bpd, the EIA said, slightly lower than its last forecast which saw production up by 320,000 bpd this year. Even with a tighter market, the EIA lowered its outlook for West Texas Intermediate crude prices for the year to $80.21 a barrel, down 2.2% from its prior forecast of $82.03 a barrel. That follows recent sell-offs sparked by concerns about the economy, the agency said. The agency lowered its forecast for 2025 world oil demand to 104.5 million bpd, versus a previous forecast of 104.7 million bpd. Majority of that reduction is due to slowing economic growth in China, the EIA said in its report.

Meanwhile, Asia's imports of crude oil lifted in August from the two-year low in July as top-importing heavyweights China, India, South Korea and Japan brought in more barrels. Total imports for August are expected to be 26.74 million barrels per day (bpd), up from July's 24.56 million bpd, according to data compiled by LSEG Oil Research. The recovery in August arrivals is largely due to a 1.05 million bpd increase in China, the world's biggest crude importer. China's August imports are estimated by LSEG at 11.02 million bpd, up from July's official customs number of 9.97 million bpd, which was the lowest on a daily basis since September 2022. On the supply side, Saudi Arabia saw some recovery in August, with LSEG estimating Asia's imports from the world's biggest exporter were 4.89 million bpd, up from 4.60 million bpd in July and 4.63 million in June. Asia's imports from Russia slipped to 3.60 million bpd in August from 3.71 million bpd in July and 4.19 million bpd in June, largely because India took fewer cargoes.

Separately, Morgan Stanley has lowered its global oil demand growth forecast for 2024, mainly due to China's slower economic growth, increased electric vehicle usage there, and a rise in the number of trucks in China powered by liquefied natural gas (LNG). The bank cut its global oil demand growth forecast for this year to 1.1 million barrels per day (mbpd) from 1.2 mbpd. It also lowered its Brent price forecasts modestly and sees prices averaging $80 per barrel in the fourth quarter of 2024 compared to $85 per barrel previously.

Goldman Sachs said it expected Brent crude prices to fall to $68 per barrel by late 2025 if China oil demand remains flat through end of next year. Data on Thursday showed China's economy lost momentum in July with new home prices falling at the fastest pace in nine years, industrial output slowing, and unemployment rising. Chinese refineries sharply cut crude processing rates last month in response to weak fuel demand.

The U.S. is slowly replenishing the Strategic Petroleum Reserve, buying up to 6 million barrels of oil for delivery in the first several months of next year, after the largest sale yet from the stockpile in 2022. Earlier this month it bought nearly 2.5 million barrels for delivery in the same months at the same site, which was closed for maintenance but is now able to take oil.

U.S. crude oil export gains should plateau in 2024 after years of strong growth, with domestic output expected to increase by the smallest amount since the pandemic at a time when global oil demand remains sluggish. Crude oil exports from U.S. ports averaged about 4.2 million barrels per day so far this year, according to U.S. government data. That was up 3.5% from a year earlier, or the lowest percentage increase since 2015, when the U.S. exported its first cargo of domestic crude oil after a 40-year federal ban on export of domestic crude ended. Last year, exports grew 13.5%. They have grown every year except in 2021 when COVID-19 crushed global oil demand. U.S. oil production is set to grow just 2.3% this year, as shale producers remain focused on shareholder returns and limit new spending on production year.

China's crude oil imports from top supplier Russia fell in July by 7.4% from a year earlier, official data showed, in line with a broad decline in Chinese refiners' purchases that were curbed by tepid fuel demand at home. Russian oil arrivals, including via pipelines and shipments, totalled 7.46 million metric tons last month, or 1.76 million barrels per day (bpd), according to data from the General Administration of Customs. That compared with June's 2.05 million bpd and 1.9 million bpd in July 2023. Shipments from No. 2 supplier Saudi Arabia totalled 6.41 million tons, or 1.51 million bpd, up 13% from a year earlier. Imports from Malaysia, a major transshipment hub for sanctioned oil from Iran and Venezuela, surged 61% on the year to 6.21 million tons, or 1.46 million bpd, keeping the country as the third-largest supplier for July. Imports from Malaysia totalled 35.68 million tons for the first seven months of the year, an increase of 21% year-on-year. Shipments from the U.S. increased 53% year-on-year in July at 240,000 bpd.

China's gasoline exports fell 35.7% in July from a year earlier, customs data showed, as refiners lowered crude runs and held back from shipments due to weakening profit margins. Gasoline exports stood at 790,000 metric tons last month, or 5.77 million barrels per day, data from the General Administration of Customs showed. China exported 1.22 million tons of gasoline in July last year and 930,000 tons in June. China's January-July crude oil throughput was down 1.2% at 419.15 metric tons, the statistics bureau reported earlier. Jet fuel shipments led the fuel exports, rising 20.2% to 1.76 million tons up from 1.47 million tons in July last year. In June, Jet fuel shipments totalled 1.65 million tons. Diesel exports fell 41.2% on the year to 540,000 tons, a sharp drop from July 2023 when exports totalled 910,000 tons. In June, exports totalled 820,000. Diesel output fell 4.7% to 119.39 million tons in January-July. China's total exports of refined oil products, which also include marine fuel, were at 4.98 million tons for July, down 6% from 5.31 million tons in the same period a year earlier.

Even though its imports of crude oil fell to the lowest in almost two years in July, China continued to boost stockpiles in July as refinery throughput fell for a fourth month. China, the world's biggest oil importer, added about 280,000 barrels per day (bpd) to either commercial or strategic inventories in July, according to calculations based on official data. This was down sharply from June's addition of 1.48 million bpd, but this still appears bearish when viewed against the fact that crude oil imports dropped to the lowest in July since September 2022. China's refineries processed 59.06 million metric tons of crude in July, equivalent to about 13.91 million bpd, according to data released by the National Bureau of Statistics. This was down 6.1% from the same month last year and was the weakest month on a barrels-per-day basis since October 2022.

The Russian government has extended a ban on petrol exports until the end of 2024, the government said via its channel on the Telegram messaging app. The decision was taken to maintain stability in the market during a period of increased seasonal demand and scheduled refinery repairs, the government said.

Global jet fuel demand is poised to soften as a slowdown in consumer spending hits travel budgets, a shift that could weigh on oil prices in the months ahead. Global oil demand has struggled to meet expectations in the first half of the year due to weaker-than-forecast consumption in the United States and China, the top two oil markets. Jet fuel makes up about 7% of global oil demand and was widely expected to be one of the pillars of growth this year as travel continues to rebound from the pandemic. Global jet fuel demand averaged about 7.49 million barrels-per-day (bpd) this year through July, a nearly 500,000-bpd increase over the same period last year, according to Goldman Sachs data. Major U.S. airline operators and travel companies in recent days echoed worries that consumer spending is slowing as disposable incomes have shrunk, which is likely to weigh on leisure travel.

India is the world's third-biggest oil importer and consumer, India overtook China as the world's biggest importer of Russian oil in July as Chinese refiners bought less because of lower profit margins from producing fuels, a comparison of import data showed. Russian crude made up a record 44% of India's overall imports last month, rising to a record 2.07 million barrels per day (bpd), 4.2% higher than in June and 12% more than a year ago, data on Indian shipments from trade and industry sources showed. That surpassed China's July oil imports from Russia of 1.76 million bpd via pipelines and shipments, based on Chinese customs data. Iraq continued to be the second-largest oil supplier to India last month, followed by Saudi Arabia and the United Arab Emirates. India's crude purchases from the Middle East rose 4% in July, pushing up the region's share in India's overall mix to 40% from 38% in June, the data showed.

Going ahead, Prices likely to be trade between weak global growth to cap demand against ongoing geopolitical tensions could provide support to prices. Other side, OPEC+, will be able to commit to the supply cuts they have pledged to prop up prices.

MONTHLY BULLETIN (RESEARCH) Date 6th Sep 2024

Technical Outlook:-

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

Expected Support and Resistance level for the month

Crude	S1	S2	R1	R2
NYMEX/DG CX ($)	67.0	64.0	74.50	80.50
MCX (Rs.)	5650	5500	6050	6550

MCX trend seen Bearish as long hold 5800 - R1, While Sustain below 5650 seen towards 5500 - 5400.

MONTHLY BULLETIN (RESEARCH) Date 6th Sep 2024

Natural Gas

Technical Outlook:

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

Natural Gas	S1	S2	R1	R2
MCX (Rs.)	175	169	195	205

MCX trend seen Bearish as long hold 191 - R1, While Sustain Close below 171-169 seen towards 160-58 belt.

MONTHLY BULLETIN (RESEARCH) Date 6th Sep 2024

Base Metals

Market Outlook and Fundamental Analysis

COPPER:

Base metal complex gain after 2-consecutive months if fall in Aug and reverse early fall in expectations that US FED likely to cut rate sooner & larger than expected earlier added by fall in dollar index and stimulus hope from top consumer China makes base metals pack positive at end if the month. However initially fall seen as demand concern after weak economic data from China as well western countries and higher stocks for few of the metals pressure prices. Benchmark Copper & Lead future in domestic exchange register 3rd monthly fall by marginally 0.5% & 1.5% while Zinc and Aluminum up around 5% each for the month of Aug.

China world's second-biggest economy, manufacturing activity sank to a 6-month low in August as factory gate prices tumbled and owners struggled for orders, an official survey showed, pressuring policymakers to press on with plans to direct more stimulus to households. The National Bureau of Statistics PMI slipped to 49.1 from 49.4 in July, its 6th straight decline and 4th month below the 50 mark separating growth from contraction. It missed the median forecast of 49.5 in a Reuters poll.

China Caixin/S&P Global manufacturing PMI rose to 50.4 in August from 49.8 in July, beating analysts' forecasts. Factory activity in South Korea and Taiwan also expanded in August, while Japan saw a slower rate of contraction due in part to solid global demand for semiconductors. Japanese manufacturers also gained from a rebound in car output after a safety scandal led some plants to temporarily suspend production. But manufacturing activity contracted in Malaysia and Indonesia, surveys showed, underscoring the pain some of the region's economies are facing from China's prolonged slowdown.

Factories in the euro zone remained mired in contraction last month, surveys showed, with the data suggesting a recovery could be some way off but Asian and British manufacturers showed tentative signs of recovery. HCOB's final euro zone manufacturing PMI, compiled by S&P Global, stood at 45.8 in August, just ahead of a 45.6 preliminary estimate but well below the 50 mark separating growth from contraction. This could impact demand for base metals pack

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The London Metal Exchange unveiled a set of proposed measures designed to boost electronic trading while also protecting its complex structure used for deals in physical metal. The measures attempt to navigate a recurring tension between traditional physical users on the LME's open-outcry trading floor and the financial community which prefers electronic trading.

The union at Chile's Escondida copper mine, the world's largest, signed a deal with BHP, ending a strike that could have threatened global supplies of the red metal. The three-year deal included changes in labour conditions such as "initiatives to optimize shift changes, increase equipment utilization and compliance with the 40-hour law," BHP said in a statement announcing the deal.

Workers at BHP's Escondida mine in Chile began a strike on 13-Aug morning after pay negotiations with management fell apart, setting the stage for a potential hit to production at the world's biggest copper mine. "We made every responsible effort to reach an agreement, but that wasn't possible," said the union, which represents about 2,400 people. BHP said it had activated a contingency plan to handle the strike, and that it had not anticipated a new set of demands from the union on the final day of talks. Workers at Escondida last walked out in 2017, prompting a 44-day strike that severely affected BHP's production and pushed up copper prices on the global market. Escondida produced 1.1 million metric tons of copper in 2023.

Sales of U.S. automaker Tesla's China-made electric vehicles grew 3% in August from a year earlier, data from the CPCA showed. Deliveries of China-made Model 3 and Model Y vehicles rose 17% from the previous month.

Going ahead, weak economic numbers, demand concern from top consuming countries weigh on process for short term while FED rate cut expectation which might revive demand for bas metals and any fall in dollar index will support base metals at every dip.

MONTHLY BULLETIN (RESEARCH) Date 6th Sep 2024

Base Metals

TECHNICAL OUTLOOK:

COPPER:

Sources – Ticker Plant and Bonanza Research

Expected Support & Resistance level for the month

Copper	S1	S2	R1	R2
MCX	771	760	800	820

MCX trend seen Bearish as long hold R1, While Sustain below 778 & 771 seen towards 765-755 belt.

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LEAD:

Technical Outlook:

Sources – Ticker Plant and Bonanza Research

Expected support and Resistance level for the month

Lead	S1	S2	R1	R2
MCX	179	177	186	190

MCX trend seen Bearish as long hold R1 while Sustain Close below 179 seen 176-175 belt.

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ZINC

TECHNICAL OUTLOOK:

Sources – Ticker Plant and Bonanza Research

Expected Support & Resistance level

Zinc	S1	S1	R1	R2
MCX	252	242	261	268

MCX trend seen Bearish as long hold R1, While Sustain below 252 seen again towards 242-240.

NICKEL

TECHNICAL OUTLOOK:

No View due to Low Volumes

MONTHLY BULLETIN (RESEARCH) Date 6th Sep 2024

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DATE-Sep 9th, 2024

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