

Bullion

Yesterday, the prices of the yellow metal fell sharply after the U.S. Federal Reserve lowered interest rates as expected, but noted it will slow the pace at which borrowing costs fall any further, boosting the dollar and bond yields.

U.S. central bankers issued fresh projections indicating two quarter-percentage-point rate cuts next year amid rising inflation, a forecast consistent with a wait-and-see approach as President-elect Donald Trump returns to the White House in January.

Powell said Fed policymakers want to see more progress on bringing inflation down as they consider future rate cuts. Futures on the federal funds rate have priced in that the Fed will leave its benchmark overnight rate unchanged at the Jan. 28-29 policy meeting. Higher rates reduce the appeal of holding the non-yielding asset.

Silver

Yesterday, spot silver plunged by more than 3 percent, closing at 29.4 per ounce on whereas MCX Silver fell by 0.5 percent and closed at Rs. 90380/kg on Wednesday.

Outlook

Today, gold prices are likely to trade higher on short-covering after dipping to the lowest in a month in the previous session, while the market awaited key U.S. data for further cues on the Federal Reserve's policy trajectory.

Technical Outlook for 19-Dec-24

BULLION	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX BULLDEX DEC'24	18210	18560	19050	19360
GOLD - FEB'24	76050	76290	76970	77260
SPOT GOLD	2530	2570	2680	2740
SILVER - MAR'24	88090	89150	91840	92770
SPOT SILVER	29.20	29.60	30.50	31.00

Market Highlights (% change)

as on 18th Dec 2024

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	84.9	-0.04	0.05	0.66	1.71
Euro/\$ (Spot)	87.8	-1.34	-1.01	-2.84	-1.61
Dollar Index	108.0	1.00	1.00	2.80	2.00
NIFTY	24198.9	-0.56	-1.43	-1.16	0.64
SENSEX	80182.2	-0.62	-1.36	-0.24	1.18

Source: Refinitiv

Market Highlights Gold (% change)

as on 18th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	2587.6	-2.19	-3.49	-2.69	11.18
Gold (Spot - Mumbai)	77650.0	-0.17	-1.99	-3.30	8.48
Comex	2636.5	-0.30	-1.90	-1.17	13.42
MCX Gold	76653.0	-0.28	-1.69	0.00	7.10
MCX BULLDEX	18778	0.32	-1.38	-1.41	#N/A

(Comex, Gold spot in \$ per ounce, MCX, Gold spot Mumbai in Rs/10 gms)

Source: Refinitiv

Market Highlights Silver (% change)

as on 18th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	29.4	-3.85	-5.17	-5.79	1.03
Silver (Spot - Mumbai)	92680.0	0.03	-4.11	-3.56	2.52
Comex	30.4	-0.53	-2.62	-2.60	5.16
MCX Silver	90380.0	-0.54	-2.43	-0.48	3.83

(Comex in \$ per ounce, MCX, Silver spot in Rs/kg)

Source: Refinitiv

Energy

Crude Oil

Yesterday, crude prices traded higher after U.S. crude inventories fell and the U.S. Federal Reserve cut interest rates as expected, but gains were capped as the Fed signalled it would slow the pace of cuts.

As per EIA, the U.S. crude stocks and distillate inventories fell while gasoline inventories rose in the week ending 13th Dec'24. Total product supplied, a proxy for demand, was 20.8 million barrels per day, up 662,000 bpd from the prior week.

On the other hand, the US Feds cut interest rates and signalled it will slow the pace at which borrowing costs fall further, given a relatively stable unemployment rate and little recent improvement in inflation.

U.S. central bankers project they will make just two quarter-percentage-point rate reductions by the end of 2025. Lower rates decrease borrowing costs, which can boost economic growth and demand for oil.

Outlook

Crude prices are likely to trade higher as U.S. crude stocks fell and the U.S. Federal Reserve cut interest rates by an expected 25 basis points as expected

Technical Outlook for 19-Dec-24

Crude	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX CRUDE JAN'24 (RS/BBL)	5730	5850	6090	6180
WTI CRUDE OIL (\$/BBL)	65.30	67.50	73.50	77.80
BRENT CRUDE OIL (\$/BBL)	67.20	71.00	77.70	80.00
MCX NATURAL GAS DEC'24	266	275	297	306

Market Highlight Crude Oil (% change) as on 18th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	76.5	1.88	1.40	-0.98	-13.53
NYMEX CRUDE	70.6	0.71	0.80	-1.55	-13.65
ICE BRENT CRUDE	73.4	0.27	-0.03	-2.04	-15.05
MCX CRUDE	6017.0	1.47	0.65	-0.95	-11.57

(Brent & NYMEX Crude in \$ per bbl, MCX Crude in Rs/bbl)

Source: Refinitiv

Market Highlight Natural Gas (% change) as on 18th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	3.4	2.00	-2.34	22.82	25.66
MCX NG	266.2	4.60	-4.04	4.80	17.42

(NYMEX NG in \$/MMBtu, MCX NG in Rs/MMBtu)

Source: Refinitiv

Base Metals

Yesterday, base metals turned negative after the Federal Reserve signalled a slower pace of U.S. interest rate cuts next year, strengthening the dollar.

On Wednesday, the US Fed announced a 25-basis-point interest rate cut to a range of 4.25%-4.50%, marking the third consecutive cut, in line with expectations. The latest dot plot indicates policymakers expect two rate cuts in 2025, compared to September's forecast for four cuts next year.

Following the Fed's decision and its cautious tone on future rate cuts, the US dollar index surged over 1% to a two-year high, weighing on base metals market.

Outlook

Today, copper prices are likely to trade lower as concerns around demand outlook in top consumer China and the U.S. Federal Reserve's outlook for interest rate cuts weighed on sentiment.

Technical Outlook for 19-Dec-24

Base metals (Rs/Kg)	SUPPORT		RESISTANCE	
	S2	S1	R1	R2
MCXMETLDEX DEC'24	17040	17250	17970	18350
LME COPPER (\$/TONNE)	8830	8910	9080	9160
COPPER DEC'24	790	800.10	816.90	825.80
ZINC DEC'24	274.10	278.20	286.00	290.70
LEAD DEC'24	171.60	174.60	182.40	186.80
ALUMINIUM DEC'24	232.20	238.40	247.60	251.10

Market Highlights Base Metals (% change) as on 18th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME COPPER (3 MONTH)	9028.5	0.43	-0.69	-3.37	-5.12
MCX COPPER	808.5	0.16	-1.73	-2.17	-4.60
LME ALUMINIUM (3 MONTH)	2528.5	-0.55	-2.73	-3.33	1.44
MCX ALUMINIUM	242.1	-0.14	-0.72	0.77	6.25
LME NICKEL (3 MONTH)	15508.0	0.03	-4.08	-3.84	-9.33
MCX NICKEL	1340.0	-1.05	-1.25	-1.92	-8.17
LME LEAD (3M)	1981.5	-0.20	-1.20	-3.25	-9.13
MCX LEAD	177.8	-0.50	-0.64	-2.52	-9.45
LME ZINC (3 MONTH)	2995.0	-1.33	-2.60	0.74	2.24
MCX ZINC	282.1	-0.48	-1.83	1.27	2.08

(LME IN \$/Tonne, MCX in Rs/kg)

Source: Refinitiv

LME Inventories in tonnes

COMMODITY	18/12/24	17/12/24	CHG	%CHG
COPPER	287425	272450	14975	5.50%
ALUMINIUM	667525	670025	-2500	-0.37%
NICKEL	160920	161718	-798	-0.49%
ZINC	260400	262100	-1700	-0.65%
LEAD	255250	255525	-275	-0.11%

Source: Refinitiv

Economic Indicator to be released on 19-Dec-24

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
Federal Funds Rate	US	12:30am	4.50%	4.50%	4.75%	High
BOJ Policy Rate	Japan	8:22am	<0.25%	<0.25%	<0.25%	High
BOE Policy Rate	UK	5:30pm	-	4.75%	4.75%	High
Final GDP q/q	US	7:00pm	-	2.8%	2.8%	High
Unemployment Claims	US	7:00pm	-	229K	242K	High
Existing Home Sales	US	8:30pm	-	4.09M	3.96M	Medium

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