

Bullion

The prices of the yellow metal has been trading on a bearish mode as markets discount the recent release of FOMC policy where the committee 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 1 percent, closing at 29.0 per ounce on whereas MCX Silver fell by 3.59 percent and closed at Rs. 87187/kg on Thursday.

Outlook

Today, gold prices are likely to trade lower after the Federal Reserve's verdict on its monetary policy-easing cycle signalled a slowdown in rate cuts, while focus shifted to the U.S. Personal Consumption Expenditure data due later in the day.

Technical Outlook for 20-Dec-24

BULLION	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX BULLDEX DEC'24	17810	18060	18650	18960
GOLD - FEB'24	74950	75290	75970	76260
SPOT GOLD	2530	2570	2660	2710
SILVER - MAR'24	85090	86150	88840	89770
SPOT SILVER	28.70	29.00	29.80	30.30

Market Highlights (% change)

 as on 19th Dec 2024

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	85.1	0.26	0.36	0.94	2.08
Euro/\$ (Spot)	88.1	0.36	-0.98	-3.14	-1.25
Dollar Index	108.4	0.35	1.31	3.73	2.40
NIFTY	23951.7	-1.02	-3.30	-1.02	-0.25
SENSEX	79218.1	-1.20	-3.55	-0.41	0.23

Source: Refinitiv

Market Highlights Gold (% change)

 as on 19th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	2593.9	0.24	-2.06	-4.18	11.53
Gold (Spot - Mumbai)	76920.0	-0.94	-2.24	-2.01	6.67
Comex	2592.2	-1.68	-2.40	-3.94	11.36
MCX Gold	75651.0	-1.31	-1.93	-2.27	5.68
MCX BULLDEX	18348	-2.29	-2.50	-4.42	#N/A

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

Source: Refinitiv

Market Highlights Silver (% change)

 as on 19th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	29.0	-1.15	-5.05	-9.30	-0.36
Silver (Spot - Mumbai)	91680.0	-1.08	-2.09	-1.53	1.75
Comex	29.1	-4.33	-5.09	-8.41	-0.49
MCX Silver	87187.0	-3.53	-4.19	-5.55	0.02

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

Source: Refinitiv

Energy

Crude Oil

Yesterday, crude prices traded lower after central bankers in the U.S. and Europe signaled caution over further easing of monetary policy, fanning concerns that weak economic activity could dent demand for oil next year.

The Federal Reserve cut rates by a quarter percentage point as expected on Wednesday, but Chair Jerome Powell warned that stubborn inflation would make the U.S. central bank more cautious about cutting rates next year. The U.S. dollar rose to a two-year high, making oil more expensive for buyers holding other currencies.

In the UK, Bank of England policymakers held interest rates steady on Thursday, while officials disagreed over how to respond to a slowing economy. Also on Thursday, the Bank of Japan kept ultra-low interest rates as U.S. President-elect Donald Trump's vows to impose tariffs cast a shadow over the country's export-reliant economy.

Outlook

Crude prices are likely to fall on worries about demand growth in 2025, especially in top crude importer China, putting global oil benchmarks on track to end the week down nearly 3%.

Technical Outlook for 20-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	70.00	77.70	80.00
MCX NATURAL GAS DEC'24	278	289	306	315

Market Highlight Crude Oil (% change)

 as on 19th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	75.7	-1.07	-1.48	-1.03	-14.71
NYMEX CRUDE	69.9	-0.95	-1.94	-3.39	-14.26
ICE BRENT CRUDE	72.9	-0.69	-2.16	-3.64	-15.66
MCX CRUDE	5933.0	-1.40	-1.80	-3.20	-12.81

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

Source: Refinitiv

Market Highlight Natural Gas (% change)

 as on 19th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	3.6	6.22	9.27	33.09	37.79
MCX NG	276.3	3.79	4.46	11.19	26.69

(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 20-Dec-24

Base metals (Rs/Kg)	SUPPORT		RESISTANCE	
	S2	S1	R1	R2
MCXMETLDEX DEC'24	17040	17150	17770	18050
LME COPPER (\$/TONNE)	8730	8810	8980	9060
COPPER DEC'24	782	790.10	806.90	815.80
ZINC DEC'24	270.10	274.20	283.00	288.70
LEAD DEC'24	170.60	173.60	180.40	184.80
ALUMINIUM DEC'24	232.20	238.40	247.60	251.10

Market Highlights Base Metals (% change) as on 19th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME COPPER (3 MONTH)	8883.0	-1.61	-1.87	-8.08	-7.46
MCX COPPER	796.8	-1.45	-2.20	-6.25	-6.80
LME ALUMINIUM (3 MONTH)	2507.0	-0.85	-3.76	-6.96	-0.69
MCX ALUMINIUM	241.3	-0.35	-1.39	-2.29	5.65
LME NICKEL (3 MONTH)	15113.0	-2.55	-4.72	-8.89	-12.60
MCX NICKEL	1335.8	-0.31	-1.56	-1.78	-7.89
LME LEAD (3M)	1971.5	-0.50	-1.92	-3.26	-11.35
MCX LEAD	176.5	-0.70	-1.59	-2.89	-10.36
LME ZINC (3 MONTH)	2967.0	-0.93	-4.15	-2.79	1.00
MCX ZINC	278.8	-1.17	-3.06	-2.16	1.14

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

Source: Refinitiv

LME Inventories in tonnes

COMMODITY	19/12/24	18/12/24	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 20-Dec-24

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
Retail Sales m/m	UK	12:30pm	-	0.5%	-0.7%	High

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