

Bullion

In the last week, the performance of gold prices was slightly bearish 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. The committee 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

Last week, spot silver plunged by more than 3 percent, closing at 29.5 per ounce on whereas MCX Silver also fell by 3 percent and closed at Rs. 88392 kg on Friday.

Outlook

Today, gold prices are likely to trade higher supported by short covering after a weekly loss on Friday due to the Federal Reserve's cautious stance on rate cuts in the upcoming year.

Technical Outlook for 23-Dec-24

BULLION	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX BULLDEX DEC'24	17810	18160	18650	18960
GOLD - FEB'24	75750	76090	76770	77060
SPOT GOLD	2530	2570	2760	2810
SILVER - MAR'24	86090	87150	89840	90770
SPOT SILVER	28.70	29.40	30.70	31.40

Market Highlights (% change)

as on 20th Dec 2024

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	84.9	-0.17	0.07	0.65	1.81
Euro/\$ (Spot)	88.5	0.45	-0.75	-2.06	-1.16
Dollar Index	107.6	-0.73	0.71	2.50	1.62
NIFTY	23587.5	-1.52	-4.38	-2.32	-2.30
SENSEX	78041.6	-1.49	-4.53	-1.82	-1.81

Source: Refinitiv

Market Highlights Gold (% change)

as on 20th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	2620.8	1.04	-1.20	-2.35	12.40
Gold (Spot - Mumbai)	76510.0	-0.53	-1.47	-3.63	5.95
Comex	2628.7	1.41	-0.86	-2.19	12.94
MCX Gold	76420.0	1.02	-0.83	-1.10	6.65
MCX BULLDEX	18545	1.07	-1.60	-3.18	#N/A

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

Market Highlights Silver (% change)

as on 20th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	29.5	1.69	-3.31	-5.68	0.25
Silver (Spot - Mumbai)	90620.0	-1.16	-2.16	-3.70	0.35
Comex	29.7	1.95	-3.38	-5.42	1.23
MCX Silver	88392.0	1.38	-3.06	-3.15	0.99

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

Source: Refinitiv

Energy

Crude Oil

Last week, the crude prices remained in a bearish mode 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. Softening economic activity could deepen a slowdown in oil demand growth next year.

Brent futures prices have shed more than 5% so far this year, setting up a second consecutive annual loss, as a faltering Chinese economy weighed heavily on crude oil demand. Energy transition measures have also hit demand sharply in China, the top oil importer. State-backed energy giant Sinopec said it expects China's petroleum consumption to peak in 2027 as fuel demand weakens. Oil supply could tighten next year if Trump, a Republican, delivers on campaign promises of cracking down on Iranian oil exports.

Outlook

Crude prices are likely to rise as lower-than-expected U.S. inflation data revived hopes for further policy easing, although the outlook for a supply surplus next year weighed on the market.

Technical Outlook for 23-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	289	302	328	339

Market Highlight Crude Oil (% change) as on 20th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	75.1	-0.74	-0.61	0.45	-14.68
NYMEX CRUDE	69.5	-0.64	-1.77	-1.31	-16.69
ICE BRENT CRUDE	72.9	0.08	-1.31	-1.26	-15.77
MCX CRUDE	5938.0	0.08	-1.39	-0.30	-14.56

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

Source: Refinitiv

Market Highlight Natural Gas (% change) as on 20th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	3.7	4.58	16.61	40.43	51.25
MCX NG	291.1	5.36	12.22	17.85	37.90

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

Source: Refinitiv

Base Metals

Last week, the US Fed lowered the Federal Funds target rate by 25 basis points as expected. Meanwhile, the dot plot indicates only two rate cuts are expected in 2025, suggesting a significantly slower pace of rate cuts in the future, with an overall hawkish tone. Fed Chairman Jerome Powell stated at the press conference that although the current policy rate remains restrictive, the Fed will act more cautiously as it approaches a neutral level.

Compared to the Eurozone's accelerated monetary easing under recessionary pressure, the US Fed's 2025 rate curve is gradually flattening. The US dollar index jumped causing yields to rise. On the other hand, China's 2025 economic work priorities have shifted to domestic demand-driven growth, with the annual GDP growth target maintained at 5%. Due to all these reasons, base metals had with a negative trend last week.

Outlook

Today, most of the base metals are likely to trade higher buoyed by a weaker dollar and mild U.S. inflation data, restoring some hope for further policy easing by the Federal Reserve next year.

Technical Outlook for 23-Dec-24

Base metals (Rs/Kg)	SUPPORT		RESISTANCE	
	S2	S1	R1	R2
MCXMETLDEX DEC'24	17040	17150	17770	18050
LME COPPER (\$/TONNE)	8730	8810	9080	9160
COPPER DEC'24	782	790.10	811.90	822.80
ZINC DEC'24	270.10	274.20	283.00	288.70
LEAD DEC'24	170.60	173.60	181.40	185.80
ALUMINIUM DEC'24	231.20	235.40	243.60	249.10

Market Highlights Base Metals (% change) as on 20th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME COPPER (3 MONTH)	8941.0	0.65	-1.34	-5.32	-7.15
MCX COPPER	798.4	0.21	-1.95	-4.31	-5.60
LME ALUMINIUM (3 MONTH)	2534.5	1.10	-1.25	-3.28	0.76
MCX ALUMINIUM	243.0	0.70	-0.16	0.56	5.42
LME NICKEL (3 MONTH)	15356.0	1.61	-2.24	-6.35	-11.53
MCX NICKEL	1325.0	-0.81	-3.82	-4.59	-9.51
LME LEAD (3M)	1980.0	0.43	-1.02	-2.17	-10.75
MCX LEAD	176.4	-0.08	-1.54	-2.68	-6.94
LME ZINC (3 MONTH)	2971.5	0.15	-2.77	-0.27	1.47
MCX ZINC	279.1	0.11	-2.21	-0.29	5.16

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

Source: Refinitiv

LME Inventories in tonnes

COMMODITY	20/12/24	19/12/24	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 23-Dec-24

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
CB Consumer Confidence	US	8:30pm	-	112.9	111.7	Medium

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