

Bullion

In the last week, the prices of yellow metal traded in a range bound manner in holiday-thinned trade as investors looked ahead to the U.S. Federal Reserve's interest rate strategy and President-elect Donald Trump's tariff policies, which could shape the metal's trajectory next year.

With Trump set to return to the White House in January, U.S. investors are bracing for significant policy shifts in 2025, including higher trade tariffs, deregulation, and tax changes, all of which could have inflationary implications.

While the Fed aggressively cut rates in September, November, and December, it has signaled fewer cuts in 2025 due to stubbornly high inflation. Higher rates increase the opportunity cost of holding non-yielding bullion.

Silver

Last week, spot silver fell by 0.9 percent, closing at 29.4 per ounce whereas MCX Silver also fell by 0.26 percent and closed at Rs. 88887 kg on Friday.

Outlook

Today, gold prices are likely to trade higher in light holiday trading, boosted by slight weakness in U.S. dollar and geopolitical tensions, as investors eyed Federal Reserve's 2025 rate strategy and Trump's tariff policies, which could shape the metal's trajectory next year.

Technical Outlook for 30-Dec-24

BULLION	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX BULLDEX JAN'24	18210	18460	18950	19160
GOLD - FEB'24	76050	76290	76870	77160
SPOT GOLD	2540	2600	2690	2740
SILVER - MAR'24	87090	88050	90840	91770
SPOT SILVER	29.10	29.50	30.50	31.00

Market Highlights (% change)

 as on 27th Dec 2024

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	85.4	0.16	0.34	1.10	2.26
Euro/\$ (Spot)	89.0	0.54	0.55	-0.28	-1.59
Dollar Index	108.0	-0.12	-0.04	1.24	2.98
NIFTY	23813.4	0.27	0.25	1.19	-2.10
SENSEX	78699.1	0.29	0.20	1.44	-1.62

Source: Refinitiv

Market Highlights Gold (% change)

 as on 27th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	2620.0	-0.55	0.27	2.10	9.56
Gold (Spot - Mumbai)	77711.0	0.07	0.79	2.86	6.29
Comex	2617.2	-0.82	0.19	1.91	9.58
MCX Gold	76544.0	-0.37	0.53	3.22	4.78
MCX BULLDEX	18631	-0.42	0.31	1.01	#N/A

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

Source: Refinitiv

Market Highlights Silver (% change)

 as on 27th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	29.4	-1.43	-0.94	-3.58	-5.91
Silver (Spot - Mumbai)	92550.0	0.98	1.31	3.37	-0.80
Comex	29.7	-1.30	-0.78	-2.80	-5.52
MCX Silver	88887.0	-0.84	-0.26	0.02	-3.65

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

Source: Refinitiv

Energy

Crude Oil

Last week, the crude prices surged with prices supported by U.S. economic data and rising oil demand in India, the world's third-largest oil importer. New orders for key U.S.-manufactured capital goods surged in November amid strong demand for machinery, while new home sales also rebounded in a sign that the U.S. economy is on a solid footing towards the year-end. The United States is the world's top oil consumer.

Meanwhile crude oil imports by India, the world's third-largest oil importer, rose 2.6% year-on-year to 19.07 million metric tons in November, government data showed, on the back of strong demand amid rising economic and travel activity.

In the Middle East, a fresh bid by mediators Egypt, Qatar and the U.S. to end the fighting between Israel and Hamas has gained momentum this month and gaps between the parties narrowed, according to Israeli and Palestinian officials' remarks, yet crucial differences have yet to be resolved.

Outlook

Crude prices are likely to trade higher in thin holiday trade ahead of the year-end as traders awaited more Chinese and U.S. economic data later this week to assess growth in the world's two largest oil consumers.

Technical Outlook for 30-Dec-24

Crude	Support		Resistance	
	S - 2	S - 1	R - 1	R - 2
MCX CRUDE JAN'24 (RS/BBL)	5830	5920	6150	6280
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	260	269	290	302

Market Highlight Crude Oil (% change) as on 27th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	75.7	#N/A	3.13	1.92	-16.04
NYMEX CRUDE	70.6	1.41	1.96	2.77	-15.10
ICE BRENT CRUDE	74.2	1.24	2.12	2.22	-14.29
MCX CRUDE	6035.0	0.99	2.27	4.65	-13.50

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

Source: Refinitiv

Market Highlight Natural Gas (% change) as on 27th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	3.5	-5.41	-3.88	26.18	51.53
MCX NG	251.0	-10.96	-11.43	-4.13	26.07

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

Source: Refinitiv

Base Metals

Last week, base metals traded on a mixed note. While the positive macroeconomic news from China buoyed the market sentiments, a strong dollar index limited the rise. Recent fiscal meetings in China have introduced proactive fiscal policies, including raising the budget deficit, to support market expectations of a positive increase in demand for metals, China will raise its budget deficit ratio, intensify fiscal spending and accelerate expenditure in 2025, the finance ministry said on Tuesday.

Furthermore, the country plans to boost fiscal support for consumption next year by raising pensions and medical insurance subsidies for residents and expanding trade-ins for consumer goods, according to the finance ministry's announcement.

Meanwhile, the U.S. dollar index surged sharply which exerted some pressure on copper prices. A stronger dollar makes it more expensive for other currency holders to buy greenback-priced commodities, thus keeping metals prices under pressure.

Outlook

Today, most of the base metals are likely to trade in a range bound manner with a stronger U.S. dollar making it more expensive for holders of other currencies to buy greenback-priced commodities.

Technical Outlook for 30-Dec-24

Base metals (Rs/Kg)	SUPPORT		RESISTANCE	
	S2	S1	R1	R2
MCXMETLDEX JAN'24	17040	17250	17870	18050
LME COPPER (\$/TONNE)	8730	8810	9080	9160
COPPER JAN'24	782	790.10	818.90	826.80
ZINC JAN'24	274.10	278.20	287.00	293.70
LEAD JAN'24	170.60	173.60	181.40	185.80
ALUMINIUM JAN'24	235.20	238.40	245.60	249.10

Market Highlights Base Metals (% change) as on 27th Dec 2024

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME COPPER (3 MONTH)	8982.0	0.35	0.79	-0.09	-9.67
MCX COPPER	804.1	0.53	1.47	0.85	-8.13
LME ALUMINIUM (3 MONTH)	2558.0	-0.27	1.23	1.65	0.89
MCX ALUMINIUM	252.3	-0.32	2.81	7.32	7.80
LME NICKEL (3 MONTH)	15311.0	-1.07	0.12	-1.97	-11.71
MCX NICKEL	1331.5	-0.34	-0.08	-1.73	-8.55
LME LEAD (3M)	1969.5	-0.73	-0.83	0.48	-11.96
MCX LEAD	176.4	0.00	0.37	-1.01	-7.21
LME ZINC (3 MONTH)	3031.5	-0.57	1.57	3.02	1.02
MCX ZINC	282.2	0.46	1.84	2.36	2.36

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

Source: Refinitiv

LME Inventories in tonnes

COMMODITY	27/12/24	26/12/24	CHG	%CHG
COPPER	287425	272425	15000	5.51%
ALUMINIUM	657150	659650	-2500	-0.38%
NICKEL	162048	163068	-1020	-0.63%
ZINC	248950	251975	-3025	-1.20%
LEAD	249250	250700	-1450	-0.58%

Source: Refinitiv

Economic Indicator to be released on 30-Dec-24

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
Pending Home Sales m/m	US	8:30pm	-	0.9%	2.0%	Medium

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