



Source: Angel One Commodity Research Team

Gold

Gold continued its strong performance in August, rising 2.4% for the month, driven by robust safe-haven demand amid geopolitical tensions and economic uncertainties. The metal reached an all-time high of \$2,531.60, supported by expectations of a Federal Reserve rate cut in September. Despite some mid-month setbacks, including a firmer dollar and mixed signals on the Fed's policy path, gold's appeal as a hedge against volatility remained intact. Key factors bolstering prices included escalating geopolitical tensions, a weaker U.S. dollar, and increased gold-backed ETF holdings. Strong demand from major markets like India and China also limited downside risks, contributing to gold's steady monthly gain despite the pressures from higher Treasury yields and stronger U.S. economic data.

We expect spot gold prices and MCX Gold prices to trade lower towards \$2442/oz and Rs.69200/10gms respectively.

Base metals

In August, base metals saw a turnaround after two months of decline, with Zinc emerging as the top performer. The prices saw a notable surge due to significant production cuts. However, the broader market faced pressure from rising inventories, weak Chinese demand, and a stronger U.S. dollar. Aluminum was the second-best performer, as tight supply conditions lifted prices briefly mid-month. Copper also faced challenges from record-high LME warehouse stocks and a downgraded outlook for China's copper demand. Although some optimism returned as a potential U.S. interest rate cut weakened the dollar, the market remained cautious due to China's sluggish factory output and property sector challenges.

We expect LME & MCX copper prices to trade lower towards \$8820 per tonne and Rs.769 per kg respectively.

Oil

Crude oil prices experienced a volatile performance throughout August, characterized by a general downward trend, with prices correcting nearly 4%. The market faced pressure due to rising OPEC+ supply, mixed economic signals, and concerns over demand, particularly from China. Despite temporary price boosts from supply disruptions in Libya and Iraq, the impact was short-lived. Weak U.S. crude inventory draws and the potential for increased OPEC+ production further weighed on prices. Mid-month, a brief recovery occurred, driven by a weakening U.S. dollar and geopolitical risks, but overall, the month ended with ongoing concerns over slowing demand and recession fears.

We expect WTI and MCX oil prices to trade lower towards \$62.84/barrel and Rs.5300/barrel respectively.

Trend deciding levels for Sep'24					
Commodity	S1	S2	R1	R2	Trend
MCX BULLDEX	17000	16300	18500	19300	Down
Gold Oct	69200	67100	73500	75700	Down
Spot Gold \$	2442	2368	2600	2680	Down
Silver Dec	75600	70200	86600	92100	Down
Spot Silver \$	26.546	24.65	30.409	32.4	Down
Copper Sep	769	732	842	878	Down
LME Copper	8820	8400	9650	10070	Down
Crude oil Oct	5300	4650	6610	7270	Down
Crude oil \$	62.84	55.14	78.38	86.2	Down
N G Sep	140	100	220	270	Down
N G \$	1.66	1.19	2.61	3.21	Down

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