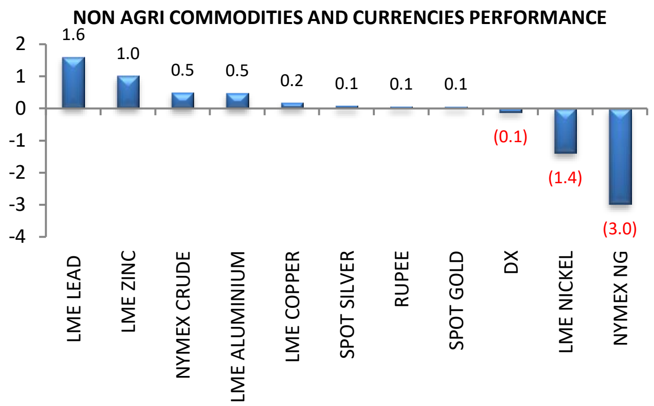

Source: Refinitiv

Gold

Gold prices edged marginally higher after softer-than-expected U.S. retail sales data cemented hopes that the Federal Reserve will reduce interest rates this year, sending the dollar and Treasury yields lower. U.S. retail sales rose 0.1% last month, falling short of the 0.3% forecast by economists. Throughout the week, gold prices surged over 1%, reaching their highest level in two weeks, driven by indications of an economic slowdown in the U.S. and expectations of Fed interest rate cuts. While recent data indicated a stable labor market with a decline in jobless claims, soft retail sales and ongoing economic lethargy bolstered bets on monetary easing. Despite a rally from March to May, which saw gold peaking at record highs on May 20, prices have since dropped nearly 6%. A pause in gold purchases by China's central bank and strong U.S. business activity, leading to a stronger dollar and higher bond yields, contributed to the drop in gold prices.

Gold is likely to trade lower towards Rs.70700/10gms this week. (CMP: Rs.71584/10gms).

Base metals

Copper prices rebounded from two-month lows this week as the dollar's earlier gains were trimmed following slower-than-expected U.S. retail sales growth, boosting the case for Federal Reserve interest rate cuts. While U.S. retail sales barely rose in May and the previous month's data was revised lower, suggesting weak economic activity, the softer dollar made copper afforable for non-U.S. buyers. However, the rise in copper prices was limited by high inventories, with stocks in LME's registered warehouses reaching a six-month peak. Optimism over increased Chinese demand provided some support, but prices slipped on Friday due to concerns over surplus supplies and sluggish demand in China, where the weakening yuan made dollar-priced commodities more expensive. The abundant supply in China, reflected by SHFE copper stocks surging tenfold since the start of the year, added further pressure. Additionally, the global refined copper market showed a surplus of 13,000 tons in April and 299,000 tons in the first four months of the year, highlighting the ongoing supply glut.

We expect MCX Aluminium prices to trade lower towards Rs.228/kg. (CMP: Rs.230.10/kg).

Oil

Benchmark crude prices saw positive momentum continuing for another week, despite a 1% dip on Friday due to concerns that global oil demand growth could be affected by a strong U.S. dollar and negative economic news from some regions. This decline occurred even as U.S. oil demand improved and fuel inventories fell, pushing crude prices to a seven-week high earlier in the week. The U.S. dollar strengthened to a seven-week high against a basket of currencies, as the Federal Reserve maintained a cautious stance on interest rate cuts, contrasting with more dovish policies elsewhere. The Fed's aggressive interest rate hikes in 2022 and 2023 to control inflation have increased borrowing costs, potentially slowing economic growth and reducing oil demand. Nonetheless, oil prices edged closer to their highest levels in seven weeks, driven by declining inventories and signs of improved U.S. demand.

This week, we expect oil prices to trade higher towards Rs.6890/bbl mark. (CMP: Rs.6746/bbl).

	Weekly Trend deciding levels				
Commodity	**S1**	**S2**	**R1**	**R2**	**Trend**
MCXBULLDEX	18100	17800	18850	19200	Sideways
Gold Aug	70700	70000	72500	73500	Sideways
Spot Gold $	2303	2280	2362	2394	Sideways
Silver Jul	85900	82900	91900	94700	Sideways
Spot Silver $	28.50	27.50	30.50	31.50	Sideways
Copper Jun	834	819	863	874	Sideways
Zinc Jun	249	241	266	275	Sideways
Lead Jun	186	184	192	195	Sideways
Aluminium Jun	228	225	235	238	Sideways
Crude Oil Jun	6630	6490	6890	7020	Up
N G Jun	227	213	251	263	Down

Research Team- 022-39357600