



Source: Refinitiv, Angel One Commodities

Gold

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.

Gold is likely to trade lower towards Rs.75800/10gms this week. (CMP: Rs. 76420/10gms).

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.

We expect MCX Copper prices to trade lower towards Rs. 786/kg. (CMP: Rs.798/kg).

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.

Crude prices are likely to trade lower towards Rs. 5800/bbl mark. (CMP: Rs. 5938/bbl).

WEEKLY TREND DECIDING LEVELS					
Commodity	S2	S1	R1	R2	Trend
MCXBULLDEX	17400	18000	19050	19600	Down
Gold Feb	74200	75800	77000	77650	Down
Spot Gold \$	2560	2600	2710	2750	Down
Silver Mar	85500	87000	90000	91600	Down
Spot Silver \$	28.10	29.40	30.90	32.90	Down
Copper Jan	765	786	820	837	Down
Zinc Jan	263	270	285	293	Down
Lead Jan	165	172	185	193	Sideways
Aluminium Jan	224	232	247	256	Sideways
MCXENRGDEX	4850	5010	5326	5450	Sideways
Crude Oil Jan	5660	5800	6160	6350	Sideways
N G Jan	260	280	340	360	Up

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