

**CME GOLD (\$2610.70, 86.10)**



Our Call of The Week: **Bullish**

16 September 2024

## Market Commentary

### Highlights:

**US:** US CPI rose 0.2% in August, inflation hit 2.5%.

**JPN:** CGPI rose 2.5%, missing the 2.8% forecast and slowing from July's 3.0%.

**US:** Consumer sentiment rose to 69.0 this month, up from 67.9 in August and above the 68.5 forecast.

**CN:** Industrial production rose 4.5% in August, missing expectations and down from July's 5.1%.

### Precious Metals

With growing expectations of a 50 basis points rate cut by the Fed this week due to concerns about the US economy and labor market, the US Dollar and Treasury yields are weakening. The dollar is at weekly lows against major currencies, supporting Gold prices near \$2,600. Markets are pricing a 67% chance of a significant rate cut in September.

Gold is also benefiting from increased ETF inflows and physical demand, with central banks shifting to lower interest rates, which typically supports non-interest-bearing assets like Gold. Safe-haven demand remains strong amid geopolitical concerns and news of a potential second assassination attempt on Donald Trump, along with worries about China's economy.

Investment banks, including Goldman Sachs, are bullish on Gold, predicting a price target of \$2,700/oz by early 2025. Despite potential short-term dips, Gold is expected to rise further, with traders watching closely for the Fed's policy announcement and the US Retail Sales report for trading signals for this week.

The next resistance levels for Gold are expected around \$2,600 and then \$2,660, which is the upper boundary of the ascending regression channel since mid-February. On the downside, initial support is at \$2,530, with further support at \$2,500 and \$2,460.

### Some significant economy data for the week:

USD – Retail Sales (MoM), Core Retail Sales (MoM), FOMC Economic Projections, FOMC Statement, Fed Interest Rate Decision, FOMC Press Conference, Philadelphia Fed Manufacturing Index, Initial Jobless Claims, Existing Home Sales

GBP – CPI (MoM), Unemployment Rate (Jul), BoE Interest Rate Decision,

EU – CPI (MoM)

## Key Price Changes

### Precious Metal COMEX

Contract	Last	Wkly Chg	%	High	Low
Gold	2,610.70	86.10	3.41	2614.60	2514.20
Silver	31.074	2.891	10.26	31.280	28.035
Platinum	1,006.80	88.10	9.59	1008.80	922.90
Palladium	1,071.00	172.50	19.20	1081.50	900.50

### Base Metal LME

Contract	Last	Wkly Chg	%	High	Low
Copper	9,308.00	312.00	3.47	9327.00	8941.00
Aluminium	2,471.00	129.00	5.51	2487.00	2326.50
Lead	2,043.50	80.50	4.10	2048.00	1946.00
Zinc	2,904.50	187.00	6.88	2926.00	2679.00
Nickel	15,944.00	51.00	0.32	16270.00	15665.00

### Currencies

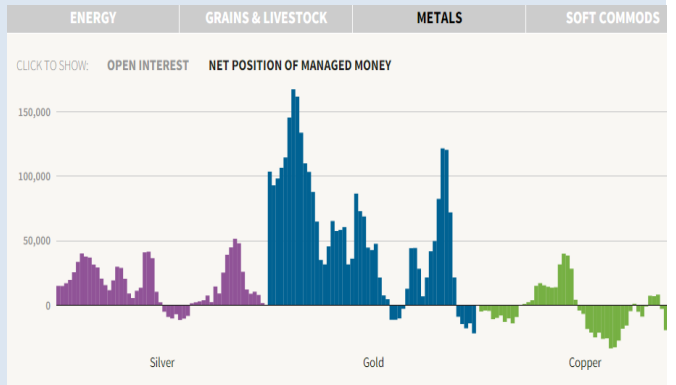
Indexes	Last	Wkly Chg	%	High	Low
US Dollar Index	101.114	-0.063	-0.06	101.839	100.883
USDMYR	4.3012	-0.0290	-0.67	4.3725	4.3012
USDJPY	140.85	-1.45	-1.02	143.80	140.29
USDEUR	0.9029	0.0007	0.08	0.9089	0.9008

	AM	PM
LBMA Gold Price	2571.35	2575.10

### Bursa Gold Futures

Contract	Last	Wkly Chg	%	High	Low
SEP 24	2,575.00	38.30	1.51	2560.00	2499.30
OCT 24	2587.30	48.30	1.90	2588.40	2513.20

Source: Bloomberg/ Phillip Futures



Source: CFTC

**Bursa Gold**



**Spot gold**



**CME Gold Futures**



Source : Bloomberg

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