

**CME GOLD (\$2,668.10, 21.90)** 

Our Call of The Week: **Mildly Bullish**  
30 September 2024

## Market Commentary

### Highlights:

**US:** Jobless claims dropped to 218,000, with the previous week revised to 222,000.

**US:** The U.S. economy grew 3.0% in Q2, while Q1 growth was revised up to 1.6%.

**JPN:** Japan manufacturing PMI dropped to 49.6 in September, down from 49.8 in August.

**US:** U.S. consumer spending rose 0.2% in August, while income growth also slowed to 0.2%.

### Precious Metals

Gold prices remain under pressure, hovering near \$2,650 - \$2,630. Despite a weaker U.S. dollar and dovish Fed expectations, the metal struggles to gain momentum amid a prevailing risk-on sentiment in global markets. The recent improvement in market sentiment came after China announced a reduction in mortgage rates for existing home loans by the end of October, along with a significant stimulus package—the largest since the pandemic. This action by the People's Bank of China has increased investor confidence, resulting in lower demand for safe-haven assets such as gold.

Despite these developments, Chinese economic data presents a mixed picture. The official Manufacturing PMI for September increased to 49.8 from 49.1 in August, indicating contraction. In contrast, the Caixin Manufacturing PMI fell to 49.3, and the Non-Manufacturing PMI dipped slightly to 50.0. This uneven recovery dampens the effectiveness of China's measures on overall market sentiment, leaving gold's outlook uncertain.

In the U.S., expectations of a dovish Federal Reserve have kept the dollar close to its lowest level since July 2023. Market predictions indicate that the Fed may reduce interest rates by an additional 50 basis points in November. A weaker dollar typically boosts gold prices, as it makes the metal more affordable for foreign buyers.

Increasing geopolitical tensions in the Middle East are counteracting positive economic sentiment. Escalations between Israel and Iran-backed groups like Hezbollah are driving demand for safe-haven assets. Over the weekend, Israeli airstrikes hit several sites in Yemen and Lebanon.

Technically, gold may find support around \$2,625 and \$2,600, with a break below \$2,600 potentially targeting \$2,560 and \$2,535-2,530. Resistance lies at \$2,670-2,671 and \$2,685-2,686, last Thursday's record high. A move above \$2,700 could trigger bullish momentum and extend the uptrend.

### Some significant economy data for the week:

USD - ISM Manufacturing PMI, JOLTS Job Openings, ADP Non-Farm Employment Change, Unemployment Claims, ISM Services PMI, Average Hourly Earnings m/m, Non-Farm Employment Change, Unemployment Rate

EUR - German Prelim CPI m/m, Core CPI Flash Estimate y/y, CPI Flash Estimate y/y

CNY - Manufacturing PMI

## Key Price Changes

### Precious Metal COMEX

Contract	Last	Wkly Chg	%	High	Low
Gold	2,668.10	21.90	0.83	2708.70	2638.60
Silver	31.816	0.311	0.99	33.020	30.670
Platinum	1,022.00	30.00	3.02	1030.80	966.20
Palladium	1,023.40	-54.70	-5.07	1076.00	1011.50

### Base Metal LME

Contract	Last	Wkly Chg	%	High	Low
Copper	9,982.50	506.00	5.34	10095.00	9381.50
Aluminium	2,646.50	161.50	6.50	2659.00	2456.00
Lead	2,119.50	64.50	3.14	2147.00	2035.00
Zinc	3,089.50	215.50	7.50	3111.00	2833.50
Nickel	16,996.00	486.00	2.94	17035.00	16315.00

### Currencies

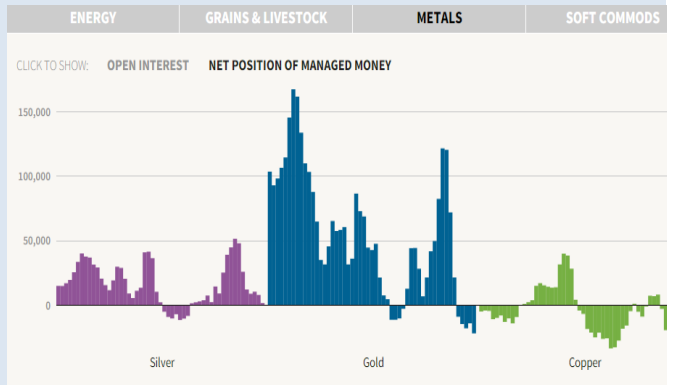
Indexes	Last	Wkly Chg	%	High	Low
US Dollar Index	100.381	-0.342	-0.34	101.229	100.157
USDMYR	4.1255	-0.0782	-1.86	4.2165	4.1077
USDJPY	142.21	-1.64	-1.14	146.49	142.07
USDEUR	0.8959	0.0000	0.00	0.9023	0.8918

	AM	PM
LBMA Gold Price	2660.55	2661.85

### Bursa Gold Futures

Contract	Last	Wkly Chg	%	High	Low
SEP 24	2,661.60	47.40	1.81	2672.20	2635.00
OCT 24	2675.10	48.10	1.83	2687.60	2635.10

Source: Bloomberg/ Phillip Futures



Source: CFTC

**Bursa Gold**



**Spot gold**



**CME Gold Futures**



Source : Bloomberg

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