

Metals Weekly

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CME GOLD (\$2,570.10, -124.70) ↓

Our Call of The Week: **Mildly Bearish**
18 November 2024

Market Commentary

Highlights:

CN: China's industrial production grew 5.3% in October, down from 5.4% in September

US: U.S. CPI rose 2.6% yearly and 0.2% monthly in October; core CPI climbed 3.3% yearly and 0.3% monthly.

US: The producer price index rose 2.4% annually in October, with core PPI up 3.1%, both meeting or exceeding forecasts.

US: Unemployment claims fell by 4,000 to 217,000 last week, below the forecast of 223,000.

Precious Metals

Gold prices experienced their worst week since 2021, with a significant drop on Friday. The decline followed the Federal Reserve's indication that there is no immediate need for rate cuts, which boosted Treasury yields and strengthened the dollar. Additionally, a risk-on sentiment emerged after Donald Trump's victory in the 2024 presidential election, further pressuring gold. There was also market uncertainty about the future of interest rates under a potential Trump administration.

Spot gold decreased by 0.1%, settling at \$2,561.81 an ounce, while December gold futures dropped 0.3% to \$2,566.35 an ounce. The metal is set to lose over 4% for the week, marking its worst performance since June 2021. This slump followed a sharp decline from its record highs, triggered by Trump's election win and a shift toward higher risk appetite.

The losses were exacerbated by the dollar reaching a one-year high amid growing uncertainty about the near-term outlook for interest rates. U.S. inflation data for October was persistently high, while comments from Federal Reserve officials pointed to a cautious approach on rate cuts. Fed Chair Jerome Powell noted the strength of the U.S. economy, suggesting that the central bank could be slow to lower rates further. As a result, traders reduced their expectations for a December rate cut, with the likelihood of a 25 basis point cut dropping to 61% from 85.7% the day before. There was also a 39% chance that rates would remain unchanged, according to CME Fedwatch.

With any recovery attempts expected to be brief. Gold is currently testing the \$2,600 resistance level, and closing above this level on a daily basis is essential for a further price recovery. However, further uptrend surpassing \$2,650 psychological level and remain on \$2,650- \$2,660 could ensure the gold uptrend.

On the support level side is located at the \$2,538 confluence level. If gold falls below this level and the decline continues, it could start a new downtrend toward the \$2,500 area. The next key bearish target would be the low of \$2,472.

The direction of gold remain cloudy and bullish outlook may change if gold managed to surpass below \$2,347. However, there are opportunities in the short-term recovery.

Some significant economy data for the week:

USD - Unemployment Claims, Flash Manufacturing PMI, Flash Services PMI

EUR - French/German Flash Manufacturing PMI, French/German Flash Services PMI

GBP - Monetary Policy Report Hearings, CPI y/y, Retail Sales m/m, Flash Manufacturing PMI, Flash Services PMI

Key Price Changes

Precious Metal COMEX

Contract	Last	Wkly Chg	%	High	Low
Gold	2,570.10	-124.70	-4.63	2693.40	2541.50
Silver	30.432	-1.017	-3.23	31.660	29.750
Platinum	945.10	-33.40	-3.41	995.00	932.30
Palladium	943.30	-48.90	-4.93	1001.00	912.50

Base Metal LME

Contract	Last	Wkly Chg	%	High	Low
Copper	9,002.50	-441.00	-4.67	9491.00	8867.00
Aluminium	2,649.50	29.00	1.11	2730.00	2485.00
Lead	1,957.00	-67.00	-3.31	2038.50	1951.00
Zinc	2,947.50	-32.00	-1.07	3029.00	2867.50
Nickel	15,540.00	-857.00	-5.23	16380.00	15475.00

Currencies

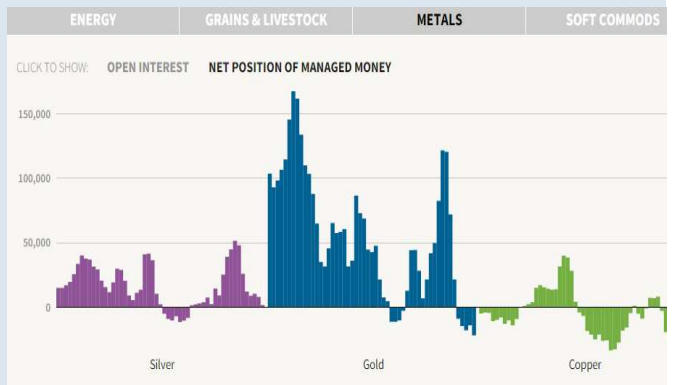
Indexes	Last	Wkly Chg	%	High	Low
US Dollar Index	106.687	1.690	1.61	107.064	104.934
USDMYR	4.4748	0.0923	2.11	4.4913	4.3915
USDJPY	154.30	1.66	1.09	156.75	152.64
USDEUR	0.9488	0.0158	1.69	0.9527	0.9321

	AM	PM
LBMA Gold Price	2566.70	2571.80

Bursa Gold Futures

Contract	Last	Wkly Chg	%	High	Low
NOV 24	2,572.30	-120.40	-4.47	2681.00	2568.50
DEC 24	2585.80	-119.80	-4.43	2699.80	2583.60

Source: Bloomberg/ Phillip Futures



Source: CFTC

Bursa Gold



Spot gold



CME Gold Futures



Source : Bloomberg

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