

Metals Weekly

Brought to you by Phillip Futures Sdn Bhd (362533-U) (A member of PhillipCapital)

CME GOLD (\$2,675.80, 16.20)



Our Call of The Week:

Mildly Bullish
16 December 2024

Market Commentary

Highlights:

US: U.S. jobless claims rose to 242K, above the 221K forecast, signalling labour market weakness.

US: CPI rose 2.7% annually and 0.3% monthly, up from 2.6% and 0.2%, respectively.

US: The U.S. Producer Price Index (PPI) rose 0.4%, beating the 0.2% forecast and the previous 0.3%.

CN: China's exports rose 6.7% in November, missing forecasts, while imports fell 3.9%, signaling economic challenges ahead.

Precious Metals

Gold prices declined on Friday, weighed down by expectations that the Federal Reserve's December rate cut will come with a more hawkish outlook. Gold prices slowed this week as the dollar gained, with uncertainty over the Fed's long-term rate plans amid persistent inflation. While a 25 basis point cut is expected, the Fed may reduce rates more slowly in 2025, and higher rates under President Trump could keep them elevated. This pressures gold, which has seen slower gains recently. Attention will also be on rate decisions in Japan and the UK this week.

Gold begins the final week of 2024 near \$2,650, supported by a pullback in the USD and US Treasury yields ahead of Monday's S&P Global US business PMI data. Markets have fully priced in a 0.25% rate cut by the Fed this week, according to CME's FedWatch tool, but expect a wait-and-see approach in January due to potential inflation risks from President-elect Trump's protectionist policies. This outlook supported the USD and US Treasury yields last week, with traders now focused on whether the Fed will signal fewer rate cuts in 2025.

Gold is also supported by rising tensions in Israel-Gaza and political unrest in South Korea. An airstrike in Gaza killed several, including an Al Jazeera journalist, while South Korea's parliament impeached President Yoon Suk Yeol over his recent martial law declaration. Gold typically benefits from geopolitical instability.

However, gold's gains may be limited by concerns over China's economy and weakening demand in India due to high prices. Additionally, US PMI data could influence expectations for the Fed's rate plans next year, impacting gold's value.

Gold is testing support at \$2,650, indicating indecision. If buyers gain momentum, the price could rise to the 50-day SMA at \$2,670, potentially reaching \$2,700, and possibly the multi-week high of \$2,726. However, a close below \$2,650 could lead to a retest of the December 6 low at \$2,613.

Some significant economy data for the week:

USD - Flash Manufacturing PMI, Flash Services PMI, Core Retail Sales, Retail Sales, Unemployment Claims, Federal Funds Rate, FOMC Economic Projections, FOMC Statement, FOMC Press Conference, Final GDP q/q, Unemployment Claims, Core PCE Price Index m/m

GBP - Flash Manufacturing PMI, Flash Services PMI, Claimant Count Change, CPI y/y, Monetary Policy Summary, MPC Official Bank Rate Votes, Official Bank Rate, Retail Sales m/m

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

CNY - Industrial Production y/y, Retail Sales y/y, 1-y Loan Prime Rate, 5-y Loan Prime Rate

Key Price Changes

Precious Metal COMEX

Contract	Last	Wkly Chg	%	High	Low
Gold	2,675.80	16.20	0.61	2761.30	2649.70
Silver	31.028	-0.560	-1.77	33.330	30.755
Platinum	924.30	-9.50	-1.02	964.70	920.90
Palladium	961.70	-3.90	-0.40	1024.50	951.00

Base Metal LME

Contract	Last	Wkly Chg	%	High	Low
Copper	9,052.50	-70.00	-0.77	9314.00	9036.00
Aluminium	2,605.00	1.50	0.06	2625.00	2570.00
Lead	2,010.00	-61.50	-2.97	2097.00	1994.50
Zinc	3,095.50	24.00	0.78	3170.00	3060.50
Nickel	15,862.00	-185.00	-1.15	16270.00	15655.00

Currencies

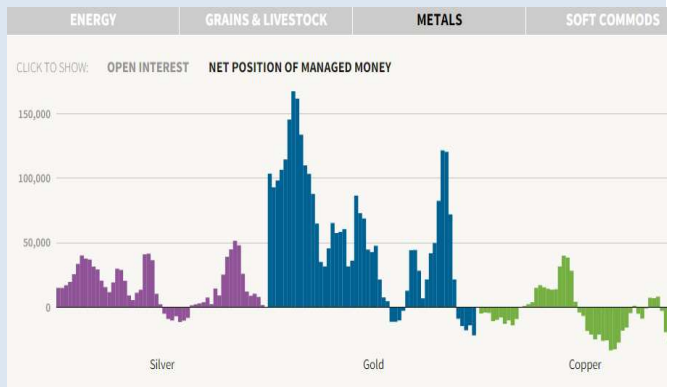
Indexes	Last	Wkly Chg	%	High	Low
US Dollar Index	107.003	0.948	0.89	107.186	105.798
USDMYR	4.4500	0.0305	0.69	4.4552	4.4175
USDJPY	153.65	3.65	2.43	153.80	149.69
USDEUR	0.9523	0.0060	0.63	0.9566	0.9439

	AM	PM
LBMA Gold Price	2669.55	2659.05

Bursa Gold Futures

Contract	Last	Wkly Chg	%	High	Low
DEC 24	2,678.30	24.50	0.92	2729.30	2661.90
JAN 25	2691.40	25.40	0.95	2741.10	2702.50

Source: Bloomberg/ Phillip Futures



Source: CFTC

Bursa Gold



Spot gold



CME Gold Futures



Source : Bloomberg

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