

CME GOLD (\$2,715, 60.30)



Our Call of The Week: **Mildly Bullish**
13 January 2025

Market Commentary

Highlights:

US: U.S. inflation expectations rose to 3.3% in January, the highest since 2008, driven by concerns over potential tariffs.

US: December saw 256,000 new jobs as unemployment dropped to 4.1%.

EU: Euro zone retail sales rose 0.1% in November, missing forecasts, with annual growth slowing to 1.2%.

CN: China's CPI rose 0.1% in December, below November's 0.2%, with flat monthly inflation and weak spending despite stimulus.

Precious Metals

Gold prices halted their four-day rally, staying below \$2,700 in Asian trading on Monday, as buying pressure wanes after a strong surge last week. The US Dollar (USD) is in a bullish consolidation phase, mirroring the rise in US Treasury bond yields, which has kept Gold trading in a narrow range below the \$2,698 monthly high set on Friday. However, China's efforts to stabilize the Yuan and support economic growth are helping Gold hold steady, limiting downside movement. Additionally, market concerns about potential US trade policies under President-elect Donald Trump, and their effect on inflation and the economy, continue to boost Gold's appeal as a safe-haven asset.

The rise in WTI oil prices, driven by US sanctions on Russian oil, adds to inflation worries, further supporting Gold as an inflation hedge. Oil prices surged on Friday after the US imposed broader sanctions on Russian oil exports, which could impact supplies to major buyers like China and India.

Looking ahead, Gold's ability to maintain its uptrend will depend on whether traders engage in profit-taking before Wednesday's release of the US Consumer Price Index (CPI), especially after the strong Nonfarm Payrolls (NFP) report increased expectations for a single interest rate hike by the US Federal Reserve (Fed) this year. The December NFP showed a stronger-than-expected 256,000 jobs created, and the unemployment rate fell to 4.1%.

Markets have adjusted their expectations for Fed rate cuts, now anticipating only 27 basis points (bps) for 2025, with the terminal rate expected to remain around 4.0%, higher than last year's forecast of 3.0%.

Traders will also be watching physical Gold demand in India and China for further market direction. In India, rising Gold discounts suggest weaker demand as local prices hit a monthly high, while Gold buying in China has picked up ahead of the Year of the Snake.

Some significant economy data for the week:

USD - PPI (MoM) (Dec), Core PPI (MoM) (Dec), Core CPI (YoY) (Dec), Core CPI (MoM) (Dec), CPI (YoY) (Dec), CPI (MoM) (Dec), Core Retail Sales (MoM) (Dec), Initial Jobless Claims, Philadelphia Fed Manufacturing Index (Jan), Retail Sales (MoM) (Dec)

EUR - Industrial Production (MoM) (Nov), ECB Publishes Account of Monetary Policy Meeting

CN - GDP (QoQ) (Q4), GDP (YoY) (Q4), Chinese Unemployment Rate (Dec)

Key Price Changes

Precious Metal COMEX					
Contract	Last	Wkly Chg	%	High	Low
Gold	2,715.00	60.30	2.27	2735.00	2624.60
Silver	31.314	1.249	4.15	31.840	29.875
Platinum	996.10	47.80	5.04	1001.30	938.10
Palladium	968.40	45.90	4.98	973.50	911.00

Base Metal LME					
Contract	Last	Wkly Chg	%	High	Low
Copper	9,091.50	215.00	2.42	9145.00	8851.00
Aluminium	2,571.50	78.00	3.13	2596.00	2477.00
Lead	1,975.00	52.00	2.70	1985.00	1917.00
Zinc	2,868.00	-20.00	-0.69	2934.00	2810.00
Nickel	15,658.00	547.00	3.62	15670.00	14955.00

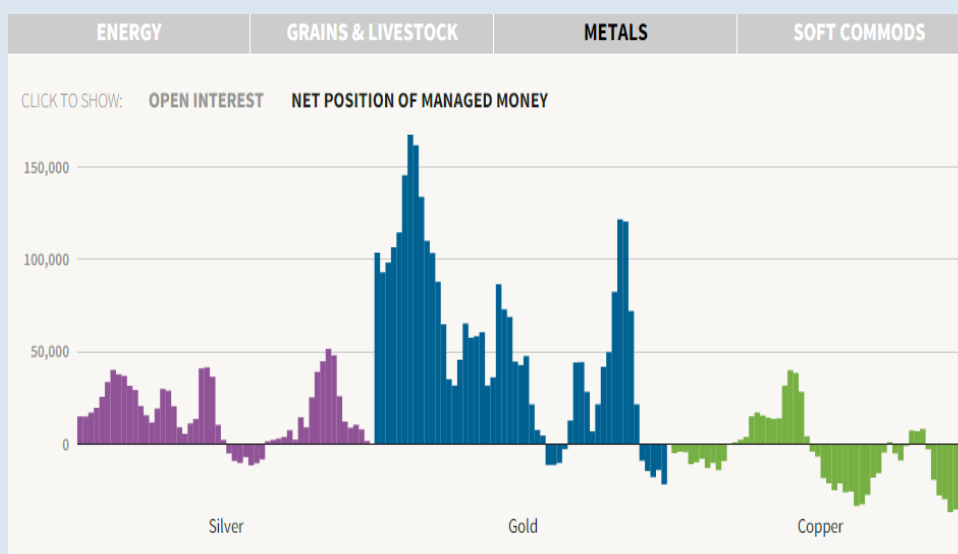
Currencies					
Indexes	Last	Wkly Chg	%	High	Low
US Dollar Index	109.650	0.698	0.64	109.966	107.750
USDMYR	4.4973	-0.0029	-0.06	4.5185	4.4875
USDJPY	157.73	0.47	0.30	158.87	156.24
USDEUR	0.9761	0.0060	0.62	0.9789	0.9582

	AM	PM
LBMA Gold Price	2679.45	2687.45

Bursa Gold Futures

Contract	Last	Wkly Chg	%	High	Low
JAN 25	2,692.70	24.90	0.93	2692.30	2632.90
FEB 25	2703.10	24.20	0.90	2703.10	2647.80

Source: Bloomberg/ Phillip Futures



Source: CFTC

Bursa Gold



Spot gold



CME Gold Futures



Source : Bloomberg

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