MONTHLY BULLETIN (RESEARCH) Date 7th Nov 2024

GOLD

Market Outlook and Fundamental Analysis:

Bullion Index register a consecutive 3rd monthly gain in Oct to hit all time high in Gold and multi month high prices in Silver with gold gain in this year more than 30% mainly due to Global central banks rate cut spree added by safe haven buying after ongoing geopolitical tension and uncertainty about US president election buyout bullion as assets class and Bullion index in domestic future exchange also hit all time high surpass May month this year peak Bullion generally remains positive during geopolitical as well financial crisis and gold is known as a safe investment during economic and geo-political crisis, but a high-interest rate environment makes the non-yielding asset less attractive to investors in last year and still this will play a vital role to decide prices in months to come. Other side Silver also get boost from Gold as well rally in base metals after top metal consumer China announce list of Stimulus to revive economy support prices at every dip. For the month of Oct bullion index rally almost 7% while Spot Gold register 8 out last 9-months gain and in Oct rally more than 4% to hit all time high of $2790. While Spot Silver register 2nd monthly gain by almost 5%. Other side Gold in domestic future exchange rally by 4% and Silver register 1 Lac mark first time to end with more than 4.5% gain.

Global gold demand excluding over-the-counter (OTC) trading was steady year-on-year at 1,176.5 metric tons in the third quarter as higher investment activity offset reduced jewellery consumption, the World Gold Council (WGC) said. Total demand for gold, including opaque OTC trading, rose 5% to 1,313 tons, a record for a third quarter, the WGC said. It estimates the OTC flows - investment from institutional, high-net-worth investors and family offices - at 136.5 tons in July-September, up 97%. Physically-backed gold exchange traded funds (ETFs) saw the first positive quarter since the first quarter of 2022 with inflows of 95 tons, while bar and coin investment fell 9%. Gold jewellery consumption, the biggest category of physical demand, fell by 12% in the third quarter despite strong growth in major import market India, while global central banks, which actively bought gold in 2022-2023, reduced purchases by 49%. On the supply side, mine production increased by 6% to reach a third-quarter record, and recycling rose by 11%.

China's gold consumption in the first three quarters of 2024 slid 11.18% from the same period a year ago to 741.732 metric tons as high prices dented buying interest for jewellery products, the state-backed gold association said. Gold jewellery buying, which accounts for 53.9% of total consumption, slipped during January to September to 400.038 tons, down 27.53% from the prior year period, data from the China Gold Association showed. Purchases of gold bars and coins, which usually reflect safe-haven demand, climbed by 27.14% to 282.721 tons thanks to "relatively low premium", it said. China's gold output from domestically produced raw materials dipped by 1.17% to 268.068 tons in the first three quarters of the year. Output of gold from imported raw materials increased 15.51% on the year to 111.207 tons, bringing the total gold output in China from January to September to 379.275 tons, an annual rise of 3.2%.

China's imports of gold ore and concentrate plummeted in September because of a proposed rule change that could result in a substantial rise in tax liabilities for buyers, according to analyst expectations. If implemented, the rule change could disrupt the annual shipment of billions of dollars of gold ore and concentrate to China, the world's top refined gold producer. Gold ore and concentrate imports to China do not currently attract import or value added tax (VAT). Now Chinese customs are planning to identify gold concentrate containing a combined iron and sulphur content of more than 58% as pyrite, which is subject to a 1% import tax and 13% VAT, the sources said. Shipments of precious metals ore and concentrate excluding silver to China hit a six-month low in September, trade data showed. It dropped 22.4% to 201,004.9 metric tons from August, which was when Chinese customs revealed its plans.

India is the world's second biggest consumer of gold, its gold demand in 2024 is likely to fall to its lowest in four years as a rally in prices to a record high is seen denting purchases during the peak festival season in the December quarter, the World Gold Council (WGC) said. Gold demand in the world's second-biggest consumer of the precious metal could stand between 700 and 750 metric tons in 2024, the lowest since 2020 and down from last year's 761 tons, CEO of WGC's Indian operations, told Reuters. Indian gold consumption in the July-September quarter rose 18% to 248.3 tons, as investment demand jumped 41% and jewellery demand increased 10% in the quarter, the WGC said. India's physically backed gold exchange-traded funds (ETFs) have registered a sixth consecutive month of inflows in September and their holdings rose to 52.6 tons, up from 43.3 tons in January, WGC data showed.

The total quantum of gold being held by India's central bank in its foreign exchange reserves rose by the end of September, while the proportion of the yellow metal held domestically also jumped sharply, according to a half-year forex reserves management report. As of end-September, the Reserve Bank of India (RBI) held 854.73 metric tonnes of gold, compared to 822.10 metric tonnes at the end of March. The proportion of gold held domestically rose to 510.46 metric tonnes as of Sept. 30, against 408.31 metric tonnes at the end of the previous quarter, the RBI said. "In value terms (USD), the share of gold in the total foreign exchange reserves increased from 8.15% as at end-March 2024 to about 9.32% as at end-September 2024," the report said.

Swiss gold exports fell in September to the lowest level since June owing to reduced shipments to India, customs data from the world's biggest bullion refining and transit hub showed. This year's 30% gold price rally, has been affecting physical demand in price-sensitive Asian markets. Some deliveries to China, the world's largest gold consumer, resumed in September after zero supplies in August, but exports to India, the world's second-largest gold consumer and a major importer, slumped to the lowest level since January, 2023. Deliveries to India fell after massive supplies in August-July when the country reduced the state gold import tax to the lowest in 11 years, temporarily boosting demand.

The European Central Bank cut interest rates for the third time this year, saying inflation in the euro zone was increasingly under control while the outlook for the wider economy was worsening. The first back-to-back rate cut in 13 years marks a shift in focus for the euro zone's central bank from bringing down inflation to protecting economic growth, which has lagged far behind that of the United States for two years straight. The quarter-point cut lowers the rate that the ECB pays on banks' deposits to 3.25%. Money markets are almost fully pricing in three further reductions through next March. The ECB did not provide any indication about future moves in its statement, instead repeating its mantra that decisions will be made "meeting by meeting" based on incoming data.

US Nonfarm payrolls, a gaunge to interest rates decision shows, U.S. job growth almost stalled in October as strikes in the aerospace industry depressed manufacturing employment while hurricanes shortened the collection period for payrolls, making it hard to get a clear picture of the labor market ahead of presidential election. He labor market is cooling, with employment gains for August and September revised down by 112,000 jobs. While the unemployment rate held steady at 4.1% in October, that was because more people left the labor force. Nonfarm payrolls increased by 12,000 jobs last month, the smallest gain since December 2020. The economy added 112,000 fewer jobs in August and September than previously reported and against economists polled by Reuters had forecast payrolls would rise 113,000. Average hourly earnings rose 0.4% last month after gaining 0.3% in September. They were likely lifted by hourly paid workers dropping out of the payrolls calculation. Wages increased 4.0% in the 12 months through October after advancing 3.9% in September. Strong wage growth is underpinning consumer spending and the overall economy.

U.S. private payrolls growth surged in October, despite fears of temporary disruptions from hurricanes and strikes. Private payrolls increased by 233,000 jobs last month after rising by an upwardly revised 159,000 in September, the ADP National Employment Report showed.

U.S. consumer spending increased slightly more than expected in September, putting it and the economy on a higher growth trajectory heading into the final three months of the year. Consumer spending, which accounts for more than two-thirds of U.S. economic activity, rose 0.5% last month after an upwardly revised 0.3% gain in August against expected advancing 0.4% after a previously reported 0.2% rise in August. In the 12 months through September, the PCE price index increased 2.1%. That was the smallest year-on-year rise in PCE inflation since February 2021 and followed a 2.3% advance in August. Excluding the volatile food and energy components, the PCE price index rose 0.3% after increasing 0.2% in August. In the 12 months through September, core inflation increased 2.7% for the third straight month. The Federal Reserve tracks the PCE price measures for its 2% inflation target.

The number of Americans filing new applications for unemployment fell last week as the distortions from hurricanes faded. Initial claims for state unemployment benefits dropped 12,000 to a seasonally adjusted 216,000 for the week ended Oct. 26, the Labor Department said against expected 230,000 claims for the latest week.

The U.S. economy grew solidly in the third quarter, with consumer spending increasing at its fastest pace in 1-1/2 years and inflation slowing sharply, continuing to defy forecasts of doom and outperforming its global peers. GDP increased at a 2.8% annualized rate last quarter against Reuters had forecast GDP advancing at a 3.0% pace. The economy grew at a 3.0% pace in the second quarter. The pace of growth was well above what Federal Reserve officials regard as the non-inflationary growth rate of around 1.8%.

U.S. job openings dropped to more than a 3-1/2-year low in September, but nearly all the decline in vacancies was in the South, suggesting that Hurricanes Helene and Milton had temporarily weighed on demand for labor. Job openings fall by 418,000 to 7.443 million in September. Hires rise by 123,000; layoffs increase by 165,000 while Consumer confidence rises to nine-month high in October and Goods trade deficit up 14.9% to $108.2 billion last month.

The U.S. trade deficit in goods widened to a 2-1/2-year high in September amid a surge in imports, as the goods trade gap increased 14.9% to $108.2 billion last month, the highest level since March 2022, the Commerce Department's Bureau of Economic Analysis said. Imports of goods rose 3.8% to $282.4 billion, also the highest level in 2-1/2 years, likely as businesses stockpiled goods in anticipation of a dockworkers strike, which was short-lived. They were boosted by a 5.8% surge in imports of consumer goods. Foods imports increased 4.6%.

A "substantial majority" of U.S. Federal Reserve officials last month supported a half-point rate cut to start the turn towards easier monetary policy, but there appeared more universal agreement that the initial move would not commit the Fed to any particular pace of rate reductions in the future, minutes of the two-day Sep policy meeting showed. Only 12 of the Fed's 19 policymakers vote at a given meeting, with seven of the reserve bank presidents participating in the debate on a non-voting basis.

Euro zone inflation accelerated more than expected in October and could still pick up further in the coming months, bolstering the case for caution in European Central Bank interest rate cuts as price growth is not yet fully tamed. Inflation in the 20 countries sharing the euro currency accelerated to 2.0% from 1.7% in September mostly on higher food and energy costs, coming above expectations for 1.9% in a Reuters poll. Inflation in the 20 countries sharing the euro currency accelerated to 2.0% from 1.7% in September mostly on higher food and energy costs, coming above expectations for 1.9% in a Reuters poll of economists. Financial investors are now betting that the ECB's 3.25% deposit rate could dip to 2% or possibly below that by the end of 2025. Financial investors are now betting that the ECB's 3.25% deposit rate could dip to 2% or possibly below that by the end of 2025.

The euro zone economy grew faster than expected last quarter but threats of oversized tariffs from a potential Trump presidency, escalating trade tensions with China and muted consumer confidence are keeping the outlook weak. Gross domestic product in the 20 countries sharing the euro grew by 0.4% in the third quarter from the previous three months, beating expectations for 0.2% but still showing fragility as industry remained in recession and household consumption barely grew, Eurostat data showed. Compared to the same quarter a year earlier, the bloc's expansion picked up to 0.9% from 0.6% three months ago, staying on pace for full-year growth at or just under 1%, which is still below what economists consider its 'potential' or natural rate of expansion without shocks or stimulus.

Euro zone business activity stalled again this month, remaining in contractionary territory as demand from both home and abroad fell despite firms barely increasing their prices, a survey showed. HCOB's preliminary composite euro zone PMI, compiled by S&P Global, nudged up to 49.7 in October from September's 49.6 but remained below the 50 mark separating growth from contraction for a second straight month. The composite new business index barely increased from September's eight-month low of 47.7, coming in at 47.8. The new export business reading - which includes trade among euro zone members - was also sub-50.

British retail sales unexpectedly rose in September, that contradicted signs that consumers were downbeat about possible tax rises ahead of the new government's first budget later this month. Sales volumes increased by 0.3% in September, beating economists' expectations for a monthly 0.3% fall. Combined with stronger gains in July and August, sales rose by 1.9% rise in the third quarter, the joint largest increase since mid-2021.

German inflation rose more than expected in October, to 2.4%, preliminary data from the federal statistics office showed. German producer prices fell more than expected in September, declining 1.4% year on year, due mainly to significantly lower energy prices, against expected a 1.0% decline. September marked the 15th decline in a row in Germany's producer prices index, considered a key inflation indicator.

The Bank of Japan maintained ultra-low interest rates steady at 0.25% as widely expected but said risks around the U.S. economy were somewhat subsiding, signalling that conditions are falling into place to raise interest rates again. The Bank of Japan maintained ultra-low interest rates on Thursday but said risks around the U.S. economy were somewhat subsiding, signalling that conditions are falling into place to raise interest rates again.

Asia's manufacturing activity stagnated in October as a rebound in China failed to give much of a boost to regional factories, private surveys showed, a discouraging sign for policymakers bracing for a potential escalation of U.S.-China trade tensions. Factory activity shrank in Japan and South Korea due to weak domestic demand and slowing growth in U.S., European and Chinese markets, the PMI surveys showed.

Australia's central bank held interest rates steady, as expected, and cautioned policy would need to stay restrictive for some time yet, strongly suggesting borrowers could expect no Christmas cheer this year. The Reserve Bank of Australia (RBA) kept rates at a 12-year high of 4.35%. It again repeated that it was not ruling anything in or out on policy, in a crucial paragraph that is largely similar to the one in September. Once again, the central bank did not explicitly consider either a hike or cut in rates this time. Australia's headline inflation slowed to 2.8% in the third quarter, back in the target band for the first time since 2021, but that was mostly due to government rebates on electricity bills. Underlying inflation came in at 3.5%, still some distance above the mid-point of the target.

Australian consumer price inflation slowed to a 3-1/2 year low in the third quarter, though the core measure was still sticky and reinforced market wagers that the central bank won't start cutting rates until next year. The consumer price index (CPI) rose 0.2% in the third quarter, under forecasts of a 0.3% increase. Annual inflation dropped to 2.8%, from 3.8%, taking it back into the RBA's 2-3% target band for the first time since 2021, a result that was largely expected.

South Korea's October headline inflation slowed further to the weakest level in almost four years, strengthening the case for more interest rate cuts and fueling worries of an undershoot of the Bank of Korea's 2% target. The consumer price index rose 1.3% in October from a year earlier, after an increase of 1.6% in September, Statistics Korea data showed, marking the slowest annual increase since January 2021.

South Korea's factory activity shrank for a second straight month in October, with output falling by the most in 16 months, a private survey showed, adding to recent signs of a slowdown in global demand. The PMI for manufacturers in Asia's fourth-largest economy, compiled by S&P Global, stood at 48.3 in October on a seasonally adjusted basis, unchanged from September. In September, the index fell below the 50-mark, which separates expansion from contraction, for the first time in five months and registered the lowest reading since June 2023.

South Korea's central bank cut interest rates for the first time since mid-2020 and flagged there was room to reduce further, giving some relief to households that have faced the highest borrowing costs in 16 years. The Bank of Korea (BOK) lowered its benchmark interest rate by a quarter percentage point to 3.25% at its monetary policy review, an expected by Reuters poll. Other side, South Korea's exports for the first 10 days of October rose 33.2% from a year earlier, high-frequency data showed. Exports were up 9.0% on average per working day, according to the customs agency.

Hong Kong's economy grew 1.8% in the third quarter year-on-year, official advance estimates showed, expanding for a seventh straight quarter. That compared to a 4.3%, 4.2%, 1.6% and 2.8% expansion in the fourth, third, second and first quarters of 2023, respectively.

Taiwan's trade-dependent economy grew more than expected in the third quarter of 2024, thanks to stronger demand for new applications such as artificial intelligence-related products. Gross domestic product grew by a preliminary 3.97% in the July-September period from a year earlier, the statistics agency said, beating the 3.4% growth forecast by analysts in a Reuters poll, but slower than the 5.06% expansion in the second quarter. Quarter-on-quarter, the economy grew at a seasonally adjusted annualised rate of 4.38%.

Taiwan export orders fell short of expectations for September, losing some steam ahead of the year's end as it remained buoyed by the artificial intelligence wave but ran into faltering demand from top trading partner China. Export orders in Sep month rose 4.6% to $53.79 billion from a year earlier. That missed both the 6.8% gain forecast in a Reuters poll and August's 9.1% expansion, but marked the seventh month in a row of expansion.

Growth in the Middle East and North Africa region is expected to rebound to 4% next year, but will hinge on a phase out of oil production cuts and headwinds subsiding, including from conflicts, the International Monetary Fund said. Growth in the region will remain "sluggish" at 2.1% in 2024, according to the IMF's latest Regional Economic Outlook, launched in Dubai, lower than earlier projections as geopolitical and macroeconomic factors weigh.

The New Zealand government reported a larger-than-expected budget deficit for the 2023-24 year as lower growth hurt government revenue, the government's accounts released showed. The government recorded a budget deficit of NZ$12.85 billion ($7.79 billion) for the fiscal year ending June 30, 2024, larger than a deficit of NZ$11.07 billion at the government's budget in May. This is the fifth deficit recorded by the New Zealand government. The government said the worse-than-expected deficit was due to weaker results from government entities and state-owned enterprises. Treasury also reported that net core debt was 42.5% of GDP, lower than net core debt of 43.1% forecast in May.

New Zealand's central bank slashed rates by 50 basis points and said policy is still restrictive even though inflation has returned to target, prompting markets to bet on yet more aggressive easing and sending the kiwi dollar skidding. The decision to reduce the cash rate to 4.75% was in line with market pricing and most economists' expectations in a Reuters poll having forecast the Reserve Bank of New Zealand (RBNZ) to cut the benchmark rate by half a percentage point. Minutes from the RBNZ committee said it assessed that annual inflation has returned to within its 1% to 3% target range in the third quarter, and is converging on the 2% midpoint.

Separately, The International Monetary Fund (IMF) raised its 2024 economic growth forecasts for the U.S., Brazil and Britain but cut them for China, Japan and the euro zone, adding that risks abound from armed conflicts, potential new trade wars and the hangover from tight monetary policy. The IMF's latest World Economic Outlook said the shifts will leave 2024 global GDP growth unchanged from the 3.2% projected in July. Global growth is projected to be 3.2% in 2025, one-tenth of a percentage point lower than forecast in July, while medium-term growth is expected to fade to a "mediocre" 3.1% in five years, well below its pre-pandemic trend, the report showed. India continues to be a bright spot, with the strongest projected growth among major economies at 7.0% in 2024 and 6.5% in 2025, unchanged from the July outlook.

Barrick, the world's second-largest gold producer, produced lower-than-expected gold in the third quarter because of a fall in output at its Carlin and Cortez mines in Nevada, the Canadian miner. Carlin and Cortez mines are a part of Nevada Gold Mines, which is Barrick's joint venture with U.S.-based rival Newmont. Total gold output at Nevada Gold Mines fell to 385,000 ounces in the July-September quarter, compared with 401,000 ounces in the preceding three months. Its total preliminary gold output was 943,000 ounces in the third quarter, compared with analysts' estimate of 975,000 ounces, according to data compiled by LSEG.

Singapore's economy grew 4.1% in the third quarter from a year earlier, preliminary government data showed. On a quarter-on-quarter seasonally adjusted basis, GDP expanded 2.1% from the second quarter, according to advance estimates from the trade ministry.

On data side, New orders for key U.S.-manufactured capital goods increased more than expected in September, but business spending on equipment likely slowed in the third quarter. Non-defense capital goods orders excluding aircraft, a closely watched proxy for business spending plans, jumped 0.5% last month after an unrevised 0.3% gain in Augus. New applications for U.S. unemployment aid unexpectedly fell last week, but the number of people collecting benefits in mid-October was the highest in nearly three years, indicating it was becoming harder for those losing jobs to land new positions. Initial claims for state unemployment benefits dropped 15,000 to a seasonally adjusted 227,000 for the week ended Oct. 19, the Labor Department said. Economists polled by Reuters had forecast 242,000 claims for the latest week. The United States PMI Composite Output Index, which takes both the services and the manufacturing business activity into account, came in at 54.3 in October, hitting a 2-month high and improving slightly from 54 recorded a month prior, S&P Global revealed in its preliminary report. Sales of new single-family houses in the United States increased by 4.1% compared to the previous month and landed at a seasonally adjusted rate of 738,000 in September, the US Census Bureau and the Department of Housing and Urban Development revealed in a report. The figure jumped by 6.3% compared to the same month in the previous year. U.S. retail sales increased solidly in September likely as lower gasoline prices gave consumers more money to spend at restaurants and bars, as Retail sales rose 0.4% last month after an unrevised 0.1% gain in August, the Commerce Department's Census Bureau said and against Economists polled by Reuters had forecast retail sales, would rise 0.3%. Retail sales advanced 1.7% on a year-on-year basis in September.

The RBI kept its key interest rate unchanged as widely expected, but changed its policy stance to "neutral", opening the door for rate cuts as early as December. The Monetary Policy Committee (MPC), kept the repo rate unchanged at 6.50% for a tenth straight policy meeting. The committee, however, changed its policy stance to "neutral" from "withdrawal of accommodation". Five out of six members vote in favour of holding rates. Newly appointed external member of the committee Nagesh Kumar voted to cut the policy rate by 25 basis points. The MPC last changed rates in February 2023, when the policy rate was raised to 6.50%. It raised rates by a cumulative 250 basis points (bps) between April 2022 and February 2023, as the economy emerged from the COVID-19 pandemic and inflation took off. The central bank expects inflation to average 4.5% in the financial year 2024-25, unchanged from the forecast provided at the August meeting. The central bank, however, retained its GDP growth forecast for the current financial year at 7.2%.

Geopolitical conflicts and uncertainty about the trade policies of major economies are among the biggest risks for India's economy, according to the government's monthly economic report, seen maintaining the current growth forecast. Risks to growth arise from escalating geopolitical conflicts, deepening geoeconomic fragmentation and elevated valuations in financial markets in some advanced economies," the report said. India's government has projected economic growth of between 6.5% and 7% for the current fiscal year, down from 8.2% in the previous year, citing heightened geopolitical risks. The report also said retail inflation has been under control, barring the possibility of a sharp spike in vegetable prices.

India cannot risk another bout of inflation and the monetary policy committee (MPC) must adopt a cautious approach to lowering interest rates, members of the rate-setting panel said in the minutes of the October meeting. The arduous battle against inflation is far from won, but we are more confident of eventual success in bringing CPI inflation durably closer to the target," external member Saugata Bhattacharya said in the minutes published on Wednesday. Five out of the six MPC members had voted in favour of holding policy rates, while newly-appointed external member Nagesh Kumar voted to cut the policy rate by 25 basis points.

MONTHLY BULLETIN (RESEARCH) Date 7th Nov 2024

According to the Reserve Bank of India (RBI) said in its October bulletin, aggregate demand in India is likely to shrug off the temporary slowdown in momentum seen in the second quarter as festive demand picks up pace and consumer confidence improves. "Rural demand is expected to get a boost from the improved agricultural outlook. Private investment should pick up steam in response to signs of pick-up in consumption demand and rising business optimism. The central bank said weaker momentum in some high-frequency indicators in the second quarter of 2024/2025 is partly due to idiosyncratic factors such as unusually heavy rainfall in August and September. The RBI sold $6.49 billion, on a net basis, in the spot foreign exchange market in August. In July, it had bought a net of $6.93 billion in the spot market. The RBI said it purchased $16.14 billion and sold $22.64 billion in the spot forex market in August. The central bank intervenes in the spot and forwards market to curb exchange rate volatility. The RBI's net outstanding forward dollar sales stood at $18.98 billion as of end-August, compared with a net sales of $9.1 billion at the end of the previous month, the data showed.

On domestic Data update, Growth in India's dominant services industry picked up last month after dipping to a 10-month low rate in September amid a marked expansion in demand, as the HSBC final India Services PMI, compiled by S&P Global, rose to 58.5 in October from September's 57.7, exceeding an estimate of 57.9. The index has been above the 50-mark separating expansion from contraction for 39 consecutive months. India's merchandise trade deficit was narrower than expected in September, helped by a sharp sequential drop in gold imports, according to government data. The deficit had widened to a ten-month high of $29.65 billion in August. Merchandise exports dropped to $34.58 billion in September from $34.71 billion in August. The fall in imports was much sharper, to $55.36 billion from $64.36 billion. Gold imports were $4.39 billion in September, sharply lower than $10.06 billion in August. India's industrial output contracted for the first time in nearly two years, partly hurt by weak mining activity and lower electricity generation, government data showed. Industrial output fell 0.1% year-on-year in August, contrary to economists' expectations of 1.2% growth in a Reuters poll. The index had previously registered a contraction in October 2022, when it fell 4.1%. Industrial output grew 4.7% in July. In the April-August period, industrial output growth slowed to 4.2% from a revised 6.2% jump a year earlier.

India's retail inflation in September accelerated to its highest in nine months, due to higher food prices, according to government data released. Annual retail inflation was at 5.49% in September, higher than 3.65% in August, and economists' forecast of 5.04%. The print was the highest since December 2023, when retail inflation was at 5.69%.

India's wholesale price index based inflation rose to 1.84% in September on the back of higher food prices. The September print was lower than the 1.92% increase projected by a Reuters poll and up from 1.31% in August, according to government data released.

MONTHLY BULLETIN (RESEARCH) Date 7th Nov 2024

India's manufacturing growth gained momentum in October after decelerating for three months as demand improved significantly, helping in job creation and leading to a better business outlook, according to a business survey. The HSBC final India Manufacturing PMI, complied by S&P Global, rose to 57.5 in October from an eight-month low of 56.5 in September and was above a preliminary estimate of 57.4.

India's fiscal deficit for April-September was 4.75 trillion rupees ($56.50 billion), or over 29% of the estimate for the financial year, government data showed. Net tax receipts for the first six months of the current financial year were 12.65 trillion rupees, or 49% of the annual target, compared with 11.6 trillion rupees for the same period last year, the data showed. Total government expenditure during the period was 21.1 trillion rupees, or about 44% of the annual goal, close to the spending of 21.2 trillion rupees in the same period last year.

India's infrastructure output grew 2% year-on-year in September, backed by strong cement and refined product output, government data showed. Infrastructure output, which makes up 40% of India's industrial production and tracks activity across eight sectors, had contracted for the first time in more than three years in August at a revised 1.6%.

Growth in India's business activity picked up slightly in October after softening last month, led by stronger demand in the manufacturing sector, according to a survey that also showed job creation rose at the fastest pace since February 2006. HSBC's flash India Composite PMI, compiled by S&P Global, rose to 58.6 this month from September's final reading of 58.3, which was a 10-month low. The headline index has been above the 50-level separating growth from contraction for 39 consecutive months - the longest expansionary streak since June 2013. The business outlook over the coming year was mixed with manufacturers at their most upbeat since July, while the sentiment faded somewhat for services companies, the survey showed.

Going ahead, Gold likely to continue its northward journey with record high prices on sight in 2024, when the fundamentals of a dovish pivot in U.S. interest rates, continued geopolitical risk, and central bank buying are expected to support the market. To makes bullion attractive assets class, we need to see stronger demand from investors, such as a pickup in ETF inflows, continue central banks buying and for all that weaker U.S. economic data and lower inflation is needed, so that the Fed sounds more dovish.

MONTHLY BULLETIN (RESEARCH) Date 7th Nov 2024

Technical Outlook:

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

In COMEX GOLD is trading at $2695

Expected support and Resistance level for the month

Gold	S1	S2	R1	R2
COMEX/DG CX ($)	2640	2600	2750	2800
MCX (Rs.)	76300	75000	78300	79000

Mcx Trend seen Bullish as long S1 hold, while Sustain close below 76300 seen prices towards 75000-74600.

MONTHLY BULLETIN (RESEARCH) Date 7th Nov 2024

SILVER

Technical Outlook:

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

Expected support and Resistance level for the month

Silver	S1	S2	R1	R2
COMEX/DG CX ($)	30.70	29.60	33.0	35.0
MCX (Rs.)	90000	88200	94000	95500

MCX trend seen Bullish as long hold S1, While Sustain below 90000 seen towards 88200-87000.

CRUDE OIL

Market Outlook and Fundamental Analysis

Energy complex register 1st monthly marginal gain after 3-consecutive months of fall in Oct due to supply disturbance after ongoing geopolitical tension added by demand revival hope after central banks rate cut spree supports crude oil prices towards end of the month. However initially pressure seen from demand concern after weak economic numbers especially from China as well western countries added by higher Inventory and lower off take from Importing countries and schedule production increase by OPEC+ at the time when demand also hit with market flooded with stocks – all pressure energy complex. Benchmark Brent crude and WTI gain marginally by almost 1% during Oct month.

OPEC oil output rebounded in October from its lowest this year the previous month as Libya resolved a political crisis, a Reuters survey found, although a further Iraqi effort to meet its cuts pledged to the wider OPEC+ alliance limited the gain. The OPEC pumped 26.33 million barrels per day last month, up 195,000 bpd from September's total, the survey on Monday found, with Libya posting the largest gain. Among countries posting lower output, Iraq and Iran posted the biggest declines.

OPEC+ has agreed to delay a planned December oil output increase by one month, the group said, as weak demand notably from China and rising supply outside the group maintain downward pressure on the oil market. Eight members of OPEC+, which groups the OPEC plus Russia and other allies, were due to raise output in December as part of a plan to gradually unwind the group's most recent layer of output curbs - a cut of 2.2 million barrels per day (bpd). OPEC+ had already delayed the increase from October because of falling prices, weak demand and rising supplies. An easing of investor concern about conflict in the Middle East disrupting the region's oil output has also weighed on prices. The December hike was due to be 180,000 bpd, a small part of the total 5.86 million bpd of output OPEC+ is holding back, equal to about 5.7% of global demand.

OPEC+ agreed those cuts in separate steps since 2022 to support the market. OPEC+ ministers hold a full meeting of the group to decide policy for 2025 on Dec. 1.

Investors ramped up oil futures and options trading in October to record levels in a bid to hedge growing uncertainty as war rages on in the Middle East and a bearish 2025 supply and demand outlook looms, triggering big swings in crude prices. Hedging can help producers reduce risk and protect their production from sharp moves in the market by locking in a price for the oil. It can also give traders opportunities to profit in times of volatility. Some 68.44 million barrels of oil in futures and options were traded in October, according to data from the Intercontinental Exchange (ICE), surpassing the monthly record hit in March 2020. CME Group, meanwhile, reported a single day volume record for weekly crude oil options on Oct. 18, with 58,132 contracts traded.

U.S. oil production rose 1.5% in August to a monthly record high of 13.4 million barrels per day, the U.S. Energy Information Administration said in its monthly oil and natural gas production report. That topped the prior record high of 13.31 million bpd in December 2023, the data showed. Gross natural gas production in the U.S. Lower 48 states, meanwhile, eased by about 0.6% in August to 115.9 billion cubic feet per day, according to the agency's 914 production report. That compared with a monthly record high of 118.2 bcfd in December 2023. U.S. crude and petroleum products supplied, or demand, rose in August to 20.7 million bpd, the highest reading since May, according to the agency's data.

The U.S. said it is seeking up to 3 million barrels of oil for the Strategic Petroleum Reserve for delivery through May next year, a purchase that would leave the government with little money to buy more until lawmakers approve more funds. The solicitation for the oil which would be delivered to the SPR's Bryan Mound, Texas site from April through May 2025, is the latest step in bringing oil back to the reserve after its biggest sale ever in 2022 of 180 million barrels.

Iran has approved a plan to increase oil production by 250,000 barrels per day, the oil ministry's news website Shana reported. Iran, a member of the OPEC, currently has production of around 3.2 MILLION barrels per day, or 3% of global output.

Chinese refiners are expected to reduce fuel output for the rest of the year and maintain lower run rates in the first quarter of 2025 despite a seasonal demand uptick, as profit margins and fuel consumption in road transport remain weak. The lower refining output in China, which has the world's largest capacity according to the Statistical Review of World

Energy, is expected to cap imports by the world's top crude buyer, and may tighten domestic fuel supply and support prices.

China, the world's biggest crude importer, the weak position of China's crude oil sector was underlined by September data showing a sixth consecutive monthly drop in refinery processing, leading to nearly 1 million barrels per day of oil being available for storage. China's refineries processed 14.29 million bpd of crude in September, up slightly from 13.91 million bpd in August, but down 5.4% from the same month in 2023. The softness in refinery throughput followed earlier data showing crude imports fell 0.6% in September from a year earlier, slipping to 11.07 million bpd, the fifth straight month that imports were less than in 2023. Domestic production in September was 4.15 million bpd, up 1.1% from the same month last year, according to data from the National Bureau of Statistics. Refinery throughput was 14.29 million bpd, leaving a surplus of 930,000 bpd. For the first nine months of the year the total volume of crude available was 15.25 million bpd, while refinery throughput was 14.15 million bpd, leaving a surplus of 1.1 million bpd.

China's refinery output fell 5.4% last month versus a year earlier, official data showed, declining for a sixth consecutive month even with the start-up of a new plant as weak fuel consumption and skinny refining margins curbed processing. Refiners processed 58.73 million metric tons of crude oil last month, data from the National Bureau of Statistics (NBS) showed, and equivalent to 14.29 million barrels per day (bpd). The September level rose from August's 13.91 million bpd as some refineries returned from planned overhauls and as a new refinery in Shandong started. Output for the first three quarters of the year was 531.26 million tons, or 14.15 million bpd, down 1.6% versus the corresponding period last year, the NBS data showed, in its fourth consecutive decline for year-to-date volumes. China's September domestic crude oil production rose 1.1% on year to 17.07 million tons, or 4.15 million bpd, according to the NBS data. Year-to-date output was up 2% on the year at 159.87 million tons, or 4.26 million bpd.

China's crude imports for the first nine months of the year were down nearly 3% from last year to 10.99 million bpd, data showed. Oil products demand in China, long the driver of global crude consumption, peaked in 2023 and is forecast to decrease by 1.1% annually between 2023 and 2025, with the drop accelerating in subsequent years, a China oil researcher said. Declining Chinese oil demand from the growing adoption of liquefied natural gas (LNG) trucks and electric vehicles (EV), as well as China's slowing economic growth following the COVID-19 pandemic, has been a drag on global oil consumption and prices. China's oil products demand shrank 0.5% on year in the first half of this year, mainly led by a 5.8% drop in diesel while gasoline and jet fuel grew 1.6% and 17.6%, respectively, on travel demand, the researcher said at an event, speaking on the condition that their name and affiliation not be used. China's products (demand) already peaked last year," the researcher said, adding that consumption is set to decline 1.3% in 2024. Oil products demand was seen slowing further by an average of 2.7% annually from 2025 to 2030, and by 3.2% annually from 2030 to 2035, the researcher added, driven by the transition to cleaner fuels, economic and social changes.

OPEC in its latest Monthly Report, cut its forecast for global oil demand growth in 2024 reflecting data received so far this year and also lowered its projection for next year, marking the producer group's third consecutive downward revision. The weaker outlook highlights the dilemma faced by OPEC+, which comprises the Organization of the Petroleum Exporting Countries and allies such as Russia, which is planning to start raising output in December after earlier delaying the hike against a backdrop of falling prices. OPEC in a monthly report said world oil demand will rise by 1.93 million barrels per day (bpd) in 2024, down from growth of 2.03 million bpd it expected last month. Until August, OPEC had kept the forecast unchanged since it was first made in July 2023. China accounted for the bulk of the 2024 downgrade. OPEC trimmed its Chinese growth forecast to 580,000 bpd from 650,000 bpd. While government stimulus measures will support fourth-quarter demand, oil use is facing headwinds from economic challenges and moves towards cleaner fuels, OPEC said. OPEC said this year's demand growth was still above the historical average of 1.4 million bpd seen prior to the COVID-19 pandemic, which caused a plunge in oil use. For next year, OPEC cut its 2025 global demand growth estimate to 1.64 million bpd from 1.74 million bpd. OPEC+ has implemented a series of output cuts since late 2022 to support the market, most of which are in place until the end of 2025.

The IEA, which represents industrialised countries, latest report shows, Global oil demand will rise less than previously thought this year, led by weakness in China, the International Energy Agency (IEA) said, bolstering its view that consumption is heading towards a plateau this decade. World demand will rise by 900,000 barrels per day, the adviser to industrialised countries said in a monthly report, down 70,000 bpd or 7.2% from its previous forecast, which is at the lower end of the range the industry expects. It now sees Chinese demand rising by 180,000 bpd in 2024 - down from 410,000 bpd seen in July - as a broader economic slowdown coincides with more EVs and as the development of a high-speed rail network restricts domestic air travel growth. The IEA left its 2025 demand growth forecast unchanged at 950,000 bpd and said the market could be oversupplied if OPEC+ unwinds output cuts as planned. OPEC sees demand growth of 1.74 million bpd in 2025. Rising global supply is being driven by non-OPEC nations, the IEA said.

EIA latest inventory data shows, U.S. gasoline stockpiles fell unexpectedly last week to a 2-year low on strengthened demand, the EIA latest inventory data, while crude inventories also posted a surprise drawdown as imports slipped. Gasoline stocks fell by 2.7 million barrels in the week ending Oct. 25 to 210.9 million barrels, their lowest since November 2021 against expected 600,000-barrel build. Crude stocks fell by 515,000 barrels to 425.5 million barrels, the EIA said, compared with analysts' expectations for a 2.3 million-barrel rise. Net U.S. crude imports fell by 605,000 bpd to 1.7 million bpd, as exports ticked up 149,000 bpd to 4.3 million bpd. Refinery crude runs fell by 31,000 bpd and refinery utilization rates slipped by 0.4 percentage points to 89.1% of total capacity. Distillate stockpiles, which include diesel and heating oil, fell by 1 million barrels to 112.9 million barrels, versus expectations for a 1.6 million-barrel drop, the EIA data showed.

U.S. energy firms kept the number of oil and natural gas rigs unchanged this week, with the count falling to a 17-year low in Pennsylvania, energy services firm Baker Hughes said in its closely followed report on last week of Oct. The oil and gas rig count, an early indicator of future output, held at 585 in the week to Oct. 25. Baker Hughes said the total count was still down 40, or 6% below this time last year. Oil rigs fell by two to 480 this week, while gas rigs rose by two to 101. In Pennsylvania, which mostly produces gas, drillers cut one rig, dropping the state's total down to 12, the lowest since July 2007. In the Marcellus shale, the nation's largest gas-producing basin in Pennsylvania, West Virginia and Ohio, drillers also cut one rig, dropping the region's total down to 22, the lowest since August 2016. For the month, the nation's total oil and gas count was down by two rigs after gaining four rigs in September. The oil and gas rig count dropped about 20% in 2023 after rising by 33% in 2022 and 67% in 2021.

Russia cut crude oil output in September by 28,000 barrels per day (bpd) to about 9 million bpd, the Organization of the Petroleum Exporting Countries (OPEC) said, citing data from secondary sources such as consultancies. This was slightly above the quota agreed by the OPEC+ group of leading oil producers. Under OPEC+ deals and voluntary cuts, Russia's monthly quota stands at 8.98 million bpd. Production in August was revised down to 9.029 million bpd from 9.059 million bpd initially reported in September. OPEC has named Russia, Kazakhstan and Iraq among the countries which produced oil above the quotas.

Iraq produced 3.94 million barrels per day (bpd) of oil in September, less than its OPEC+ output quota of about 4 million bpd, an Iraqi official said, as the country seeks to boost its compliance with the target. Iraq planned to reduce it oil output to between 3.85 million and 3.9 million bpd in September as part of a plan to compensate for producing over its quota, a source told Reuters last month.

Global and U.S. oil demand growth next year will not meet prior forecasts due to weakening economic activity in China and North America, the U.S. Energy Information Administration (EIA) said in its Short-Term Energy Outlook report. World oil demand is expected to grow 1.2 million barrels per day to 104.3 million bpd next year, about 300,000 bpd below prior forecasts, the EIA said. Demand would come in at around 103.1 million bpd this year, a 20,000 bpd reduction on prior forecasts, the EIA said. The EIA expects

U.S. oil demand to rise to 20.5 million barrels per day (bpd) next year, down from its previous forecast of 20.6 million bpd. U.S. demand forecast for 2024 was unchanged at 20.3 million bpd, according to the EIA report. U.S. oil output in 2025 is now expected to average 13.54 million, down about 1% from the prior forecast of 13.67 million bpd, the EIA said. EIA also lowered its forecasts for oil prices: it now expects U.S. crude oil to average around $76.91 per barrel in 2024, a 2.4% cut on its prior forecast, whereas Brent prices are expected to average $80.89 per barrel this year, 2.3% lower than the previous forecast.

U.S. natural gas production will decline in 2024 while demand will rise to a record high, the U.S. Energy Information Administration (EIA) said in its Short Term Energy Outlook (STEO). EIA projected dry gas production will ease from a record 103.8 billion cubic feet per day (bcfd) in 2023 to 103.5 bcfd in 2024 as several producers reduce drilling activities after average monthly spot gas prices at the Henry Hub benchmark fell to a 32-year low in March. In 2025, EIA projected output would rise to 104.6 bcfd. The agency also projected domestic gas consumption would rise from a record 89.1 bcfd in 2023 to 90.1 bcfd in 2024 before easing back to 89.1 bcfd in 2025. The latest projections for 2024 were higher than EIA's forecasts in September of 103.4 bcfd for supply and 89.9 bcfd for consumption. The agency forecast average U.S. liquefied natural gas (LNG) exports would reach 12.1 bcfd in 2024 and 13.8 bcfd in 2025, up from a record 11.9 bcfd in 2023.

India is the third-largest consumer and importer of oil, fuel consumption in October rose by 2.9% year-on-year to 20.04 million metric tons, oil ministry data showed, driven by strong economic activity. On a monthly basis, fuel demand was up 11.7% from 17.94 million tons in September, data from the Petroleum Planning and Analysis Cell's (PPAC) website showed. Sales of gasoline, or petrol, rose 8.6% from a year earlier to 3.41 million tons. Diesel consumption saw a steep rise by 19.9% month-on-month to 7.64 million tons in October, also it's highest in five months. It inched up by 0.18% year-on-year (Y/Y). Cooking gas or liquefied petroleum gas (LPG) sales increased 9.3% on an annual basis to hit a record high of 2.73 million tons in October, while naphtha sales fell 1.1% to 1.18 million tons Y/Y.

India, crude oil imports from Russia rose by 11.7% to about 1.9 million barrels per day (bpd) in September, accounting for about two-fifths of the South Asian nation's overall crude imports in the month, tanker data obtained from industry sources showed. Overall, refiners in India imported a total of 4.7 million bpd of crude oil in September, marginally higher than in August and about 8.5% more than the same month a year ago, the data showed.

Going ahead, Prices likely to be trade between weak global growths to cap demand against ongoing geopolitical tensions could provide support to prices. Other side, OPEC+, will be able to commit to the supply cuts they have pledged to prop up prices.

MONTHLY BULLETIN (RESEARCH) Date 7th Nov 2024

Technical Outlook:-

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

Expected Support and Resistance level for the month

Crude	S1	S2	R1	R2
NYMEX/DG CX ($)	69.50	66.50	73.0	78.0
MCX (Rs.)	5900	5700	6150	6350

MCX trend seen bullish as long hold 5950 - 5900 While Sustain below 5900 seen towards S2 - 5500.

Natural Gas

Technical Outlook:

On the Daily Chart MCX:

Sources – Ticker Plant and Bonanza Research

Natural Gas	S1	S2	R1	R2
MCX (Rs.)	218	210	238	245

MCX trend seen Bullish as long hold 224 - S1, While Sustain Close below 218 seen towards 205-200 belt.

MONTHLY BULLETIN (RESEARCH) Date 7th Nov 2024

Base Metals

Market Outlook and Fundamental Analysis

COPPER:

Base metal complex register a monthly fall in Oct after 2-consecutive months of gain due to rally in dollar index, China stimulus not to materialize into revival of economy as well demand for base metals and uncertainty about US president election weigh on prices through out the month. However FED rate cut expectations which might revive demand for base metals in longer run and some positive numbers from China after few weeks of stimulus support prices from sharp fall. Resulted in metals index in domestic Future exchange traded in small tight range if less than 1000 point and end down by less than 2% for the month Oct. Benchmark Copper future in domestic exchange down by almost 1% while Zinc end flat against Aluminum gain marginally 0.5% and Lead worst performer down by almost 2% for the month of Oct.

China world's second-biggest economy, manufacturing activity expanded for the first time in six months and services picked up in October, indicating that Beijing's latest stimulus measures are helping the battered economy turn a corner. The National Bureau of Statistics PMI rose to 50.1 from 49.8 in September, just above the 50-mark separating growth from contraction and beating a median forecast of 49.9 in a Reuters poll. In a further encouraging sign, the non-manufacturing PMI, which includes construction and services, rose to 50.2 this month, after it dropped to 50.0 in September. Meanwhile, retail sales and factory output sales beat forecasts last month, suggesting demand is beginning to make a comeback. China's exports, a lone bright spot, faded last month and the economy grew at the slowest pace since early 2023 in the third quarter. Industrial profits, a lagging indicator, recorded the steepest monthly decline of the year in September.

China's manufacturing activity swung back to growth in October as an expansion in new orders led to a pick-up in production growth, signalling an improvement in the sector at the start of the final quarter, a private-sector survey showed. The Caixin/S&P Global manufacturing PMI rose to 50.3 in October from 49.3 the previous month, beating analysts' forecasts in a Reuters poll of 49.7.

Prices of new homes in China rose at a faster pace in October, traditionally a peak season for house hunting, a private survey showed, suggesting that recent support measures could be having some early impact in a crisis-hit market. The average price across 100 cities edged up 0.29%, compared with the previous month's 0.14%, according to data released by property researcher China Index Academy. On a year-on-year basis, the average price rose 2.08% versus 1.85% growth in September. Average new home prices fell 0.02% from a month earlier in smaller cities last month, the China Index Academy data showed. New homes sold by value fell 34.7% year-on-year in January-October, though they rose 10.53% in October, according to a separate survey released by the academy a day earlier.

China's manufacturing activity expanded for the first time in six months and services picked up in October, indicating that Beijing's latest stimulus measures are helping the battered economy turn a corner. The National Bureau of Statistics PMI rose to 50.1 from 49.8 in September, just above the 50-mark separating growth from contraction and beating a median forecast of 49.9 in a Reuters poll. The National Bureau of Statistics purchasing managers' index (PMI) on Thursday rose to 50.1 from 49.8 in September, just above the 50-mark separating growth from contraction and beating a median forecast of 49.9 in a Reuters poll.

China cut benchmark lending rates as anticipated at the monthly fixing, following reductions to other policy rates last month as part of a package of stimulus measures to revive the economy. The one-year loan prime rate (LPR) was lowered by 25 basis points to 3.10% from 3.35%, while the five-year LPR was cut by the same margin to 3.6% from 3.85% previously. The lending rates were last cut in July.

China's central bank kicked off two funding schemes that will initially pump as much as 800 billion yuan ($112.38 billion) into the stock market through newly-created monetary policy tools. Under the swap scheme, initially worth 500 billion yuan, brokerages, asset managers and insurers can obtain liquidity from the central bank through asset collateralisation to buy stocks. Under the facility, assets including bonds, stock ETFs and holdings in constituents of the CSI300 Index can be exchanged for highly liquid assets such as treasury bonds and central bank bills, giving participants easier access to funding. The central bank also launched a relending programme, initially worth 300 billion yuan, that would allow financial institutions to borrow from the PBOC to fund share purchases by listed companies or their major shareholders.

China the world's second-largest economy, GDP grew at the slowest pace since early 2023 in the third quarter, and though consumption and factory output figures beat forecasts last month a tumbling property sector remains a major challenge for Beijing as it races to revitalise growth. grew 4.6% in July-September, official data showed, a touch above a 4.5% forecast in a Reuters poll but below the 4.7% pace in the second quarter. On a quarterly basis, the economy expanded 0.9% in the third quarter, compared with a revised 0.5% growth in April-June, and below forecast of 1.0%.

China's industrial output in September grew 5.4% from a year earlier, up from a 4.5% pace in August, providing some encouragement to policymakers as they step up efforts to revive a sluggish economy as the year-end draws closer. Retail sales, a gauge of consumption, rose 3.2% in September, accelerating from a 2.1% growth in August. Analysts had forecast a 2.5% rise. Fixed asset investment expanded 3.4% in the first nine months from a year earlier, compared with an expected 3.3% increase. It rose 3.4% in the January-to-August period.

China will expand a "white list" of housing projects eligible for financing and increase bank lending for such developments to 4 trillion yuan ($562 billion) by year-end, Minister of Housing and Urban-Rural Development said. Redevelopment of cities will also gather pace, with a million "urban villages" to be included in such plans, Ni said at a press conference, adding that people being resettled will help absorb existing housing inventories. No official estimates have been released on the number of presold but unfinished homes. According to a Nomura report published in January, 20 million units were sold but not yet constructed. Approved loans for the "white list" projects had risen to 2.23 trillion yuan as of Oct. 16, Xiao Yuanqi, deputy director of the State Financial Regulatory Administration, said at the press conference.

China in a latest round of stimulus pledged to "significantly increase" debt to revive its sputtering economy, but left investors guessing on the overall size of the stimulus package, a vital detail to gauge the longevity of its recent stock market rally. Finance Minister told a press conference Beijing will help local governments tackle their debt problems, offer subsidies to people with low incomes, support the property market and replenish state banks' capital, among other measures. But Lan's omission of a dollar figure for the package is likely to prolong investors' nervous wait for a clearer policy roadmap until the next meeting of China's rubber-stamp legislature, which approves extra debt issuance. A date for the meeting has yet to be announced but it is expected in coming weeks. The press conference "was strong on determination but lacking in numerical details.

China is locking in steps to shape the pricing of the vast quantities of industrial metals it produces and consumes, with moves to attract foreign firms to trade on Shanghai's futures exchange, which would eventually fragment global markets. After buying mining assets around the world over the past two decades to secure metals needed for industrialisation and more recently to meet its carbon emissions targets, China now wants a bigger say in how prices of those metals are determined. If successful, the push would help give Shanghai's contracts benchmark status and upend the system for reference prices of industrial metals in place since 1877 when the London Metal Exchange (LME) started life above a hat shop in London.

China's export growth slowed sharply in September while imports also unexpectedly decelerated, undershooting forecasts by big margins and suggesting manufacturers are slashing prices to move inventory ahead of tariffs from several trade partners. Outbound shipments from the world's second-largest economy grew 2.4% y-o-y in Sep month, the slowest pace since April, customs data showed, missing a forecast 6.0% increase in a Reuters poll and a 8.7% rise in August. Imports edged up 0.3%, missing expectations for a 0.9% rise and softer than 0.5% growth previously. The weak data does not bode well for exports in coming months as just under a third of China's purchases are parts for re-export, particularly in the electronics sector. China's overall trade surplus narrowed to $81.71 billion in September from $91.02 billion in August and missed a forecast of $89.80 billion.

China's consumer inflation unexpectedly eased in September, while producer price deflation deepened, heightening pressure on Beijing to roll out more stimulus measures quickly to revive flagging demand and shaky economic activity. The consumer price index (CPI) rose 0.4% from a year earlier last month, the slowest in three months, against a 0.6% rise in August, data from the National Bureau of Statistics (NBS) showed, missing a 0.6% increase forecast in a Reuters poll. The producer price index (PPI) fell at the fastest pace in six months, down 2.8% year-on-year in September, versus a 1.8% decline the previous month and below an expected 2.5% decline.

China's passenger vehicle sales rose 4.3% in September from a year earlier, snapping five months of decline with a boost from a government subsidy to encourage trade-ins as part of a broader stimulus package. Sales in the world's biggest auto market hit 2.13 million vehicles in September, up from 2.04 million a year earlier. For the first nine months, sales were up 1.9% from 2023 levels, according to data from the China Passenger Car Association (CPCA). Sales of electric vehicles and plug-in hybrids jumped 50.9%, accounting for 52.8% of overall sales. It was the third month in a row that battery-powered vehicles including plug-ins outnumbered sales of gasoline-engine cars in China. Tesla sold over 72,000 vehicles in China, up 66% year-on-year, its best month this year. The U.S.-headquartered company exported 16,121 China-made vehicles in September, down from over 23,000 the previous month. Tesla, which counts on China for about a third of its sales, has added its own incentives, including zero-percent financing.

The United States imported an average of 57,700 metric tons per month of refined copper in the first half of 2024. Inbound shipments then jumped to 106,400 tons and 117,500 tons in July and August respectively, according to LSEG Group trade data. The main source of the extra metal was Chile. U.S. imports from the South American country accelerated from an average 39,600 tons per month in January-June to 78,200 tons in July and 89,800 tons in August. Indeed, the United States became the major destination for Chilean copper in the May-August period as shipments to China dropped to an average 30,300 tons.

Global miner Anglo American posted double-digit falls in its third-quarter copper and diamond production but maintained its 2024 guidance for the commodities. Anglo said its copper output fell 13% in the July to September quarter, while rough diamond production decreased by 25% on cuts due to prolonged lower demand. For the first nine months of 2024, copper output fell 4% to 575,000 tons and diamond production was down 21% at 18.9 million carats. Anglo still expects to produce 730,000-790,000 tons of copper and 23-26 million carats of rough diamonds this year, even as it assesses additional production cuts going forward.

The global transition toward electric vehicles will have "far-reaching" impacts on investment, production, international trade and employment, the International Monetary Fund said as part of its update to global economic growth forecasts. In 2022, transportation accounted for 36% of greenhouse gas emissions in the U.S., 21% in the European Union, and 8% in China, the IMF said. Rising adoption of EVs has been supported by the EU's goal of reducing emissions from cars by 50% for the 2030-2035 period from 2021 levels, while the U.S. government has provided subsidies for EVs and charging stations.

U.S. copper miner Freeport McMoRan will postpone its sales of refined copper from Indonesia until the second quarter of 2025 as a fire at its new smelter causes a further production delay, two sources with knowledge of the matter said. Long production delays at the new Manyar smelter, with an output capacity of 480,000 metric tons of copper cathode a year, are likely to narrow an expected 2025 surplus of the metal and support prices.

Indian dealers' car sales increased 32.4% in October, helped by festive demand, especially for sports utility vehicles (SUV), as well as new model launches and offers, but inventory levels remained high, a dealers' association said. Sales by dealers to customers rose to 483,159 units in the month from 364,991 units last year, according to data from the Federation of Automobile Dealers Association (FADA).

The global zinc market is facing a sizeable supply deficit in 2024 as a raw materials squeeze forces smelters to reduce production of refined metal. The International Lead and Zinc Study Group (ILZSG) has significantly revised its assessment of zinc market dynamics since it last met in April. A previously anticipated supply surplus of 56,000 metric tons has been updated to a 164,000-ton supply deficit. Back in April ILZSG expected mine production to rise by 0.7% year-on-year in 2024. Just five months later, that forecast has been slashed with mined zinc output now on track to fall by 1.4% to 12.06 million tons, it said. This will be the third straight year of sliding output with anticipated 2024 production 5.7% lower than 2021, the last year of the zinc mining boom. ILZSG expects this year's supply deficit to be followed by a healthy 148,000-ton surplus in 2025 due to higher zinc prices.

Going ahead, weak economic numbers, demand concern from top consuming countries weigh on process for short term while FED rate cut expectation which might revive demand for bas metals and any fall in dollar index will support base metals at every dip.

MONTHLY BULLETIN (RESEARCH) Date 7th Nov 2024

Base Metals

TECHNICAL OUTLOOK:

COPPER:

Sources – Ticker Plant and Bonanza Research

Expected Support & Resistance level for the month

Copper	S1	S2	R1	R2
MCX	832	825	862	880

MCX trend seen bullish as long hold S1, While Sustain above 855-862 seen towards R2-890 belt.

MONTHLY BULLETIN (RESEARCH) Date 7th Nov 2024

LEAD:

Technical Outlook:

Sources – Ticker Plant and Bonanza Research

Expected support and Resistance level for the month

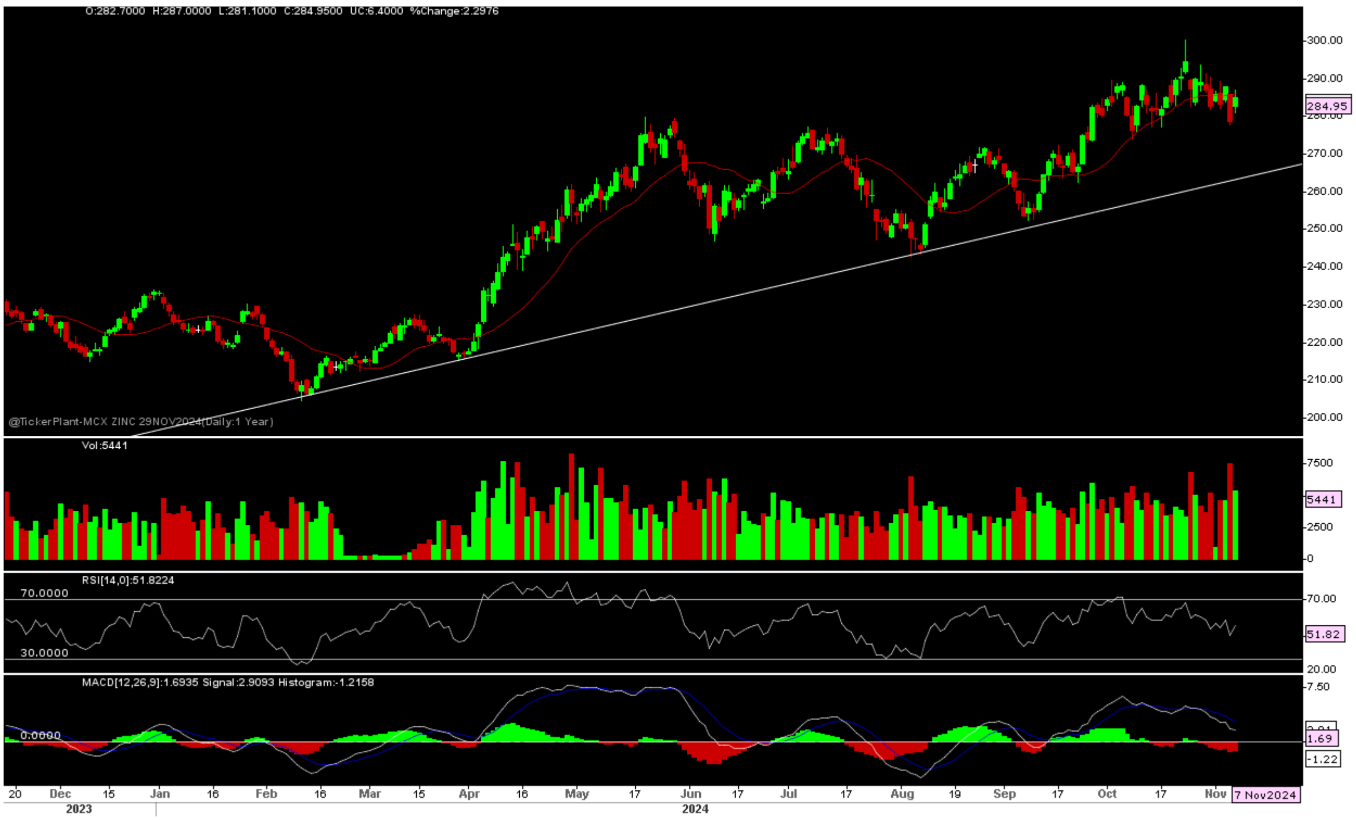
Lead	S1	S2	R1	R2
MCX	179	176	184	188

MCX trend seen bullish as long hold S1 while Sustain Close below 179 seen 176-175 belt.

MONTHLY BULLETIN (RESEARCH) Date 7th Nov 2024

ZINC

TECHNICAL OUTLOOK:



Sources – Ticker Plant and Bonanza Research

Expected Support & Resistance level

Zinc	S1	S1	R1	R2
MCX	277	275	290	294

MCX trend seen bullish as long hold 281-S1, While Sustain above 290 seen towards 294-297.

NICKEL

TECHNICAL OUTLOOK:

No View due to Low Volumes

MONTHLY BULLETIN (RESEARCH) Date 7th Nov 2024

BONANZA RESEARCH TEAM

Technical Research Analyst

Vibhu Ratandhara

BONANZA COMMODITY BROKERS PVT. LTD.

DATE-Nov 7th, 2024

Disclosure:

M/s. Bonanza Portfolio Ltd here by declares that views expressed in this report accurately reflect view point with subject to companies/securities. M/s. Bonanza Portfolio Ltd has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. The Analysts engaged in preparation of this Report or his/her relative: - (a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the Report. The Analysts engaged in preparation of this Report:- (a) have not received any compensation from the subject company in the past twelve months; (b) have not managed or co-managed public offering of securities for the subject company in the past twelve months; (c)have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (e) has not received any compensation or other benefits from the subject company or third party in connection with the Report; (f) has not served as an officer, director or employee of the subject company; (g) is not engaged in market making activity for the subject company.

M/s. Bonanza Portfolio Ltd operates under the regulation of SEBI Regn No. INH100001666 and research analyst engaged in preparation of report

MONTHLY BULLETIN (RESEARCH) Date 7th Nov 2024

Disclaimer:

This research report has been published by M/s. Bonanza portfolio Ltd and is meant solely for use by the recipient and is not for circulation. This document is for information purposes only and information / opinions / views are not meant to serve as a professional investment guide for the readers. Reasonable care has been taken to ensure that information given at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. If this report is inadvertently send or has reached to any individual, same may be ignored and brought to the attention of the sender. Preparation of this research report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Past performance is not a guide for future performance. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by Bonanza portfolio Ltd to be reliable. This report should not be taken as the only base for any market transaction; however this data is representation of one of the support document among other market risk criterion. The market participant can have an idea of risk involved to use this information as the only source for any market related activity. The distribution of this report in definite jurisdictions may be restricted by law, and persons in whose custody this report comes, should observe, any such restrictions. The revelation of interest statements integrated in this analysis are provided exclusively to improve & enhance the transparency and should not be treated as endorsement of the views expressed in the analysis. The price and value of the investments referred to in this report and the income from them may go down as well as up. Bonanza portfolio Ltd or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of M/s. Bonanza portfolio Ltd shall be liable. Research report may differ between M/s. Bonanza portfolio Ltd RAs and other companies on account of differences in, personal judgment and difference in time horizons for which recommendations are made. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. Research analyst have not received any compensation/benefits from the Subject Company or third party in connection with the research report

M/s. Bonanza Portfolio Ltd at Bonanza House, Plot No. M-2, Cama Industrial Estate. Walbhat Road, Goregaon (E), Mumbai – 400063 Web site: https://www.bonanzaonline.com

SEBI Regn. No.: INZ000212137

MONTHLY BULLETIN (RESEARCH) Date 7th Nov 2024

BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836

| CDSL: a) 120 33500 |

NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186