
Gold prices are likely to trade firm
Crude oil prices fell due to the worsening coronavirus pandemic
Copper prices are likely to trade firm

GOLD PRICES ARE LIKELY TO TRADE FIRM

- ▲ Gold prices are trading firm, due to weakness in the Dollar Index. However, fresh worries over the US stimulus may keep gold under pressure, as President Donald Trump threatened not to sign the pandemic relief bill.
- ▲ The worsening pandemic is curbing global economic growth, and is likely to keep gold prices firm. A mutated strain of Covid is spreading throughout the UK, which prompted the British government to impose a full lockdown in London. The overall number of global coronavirus cases has topped 77.9 million, while the deaths have surged to more than 1.71 million, according to the Johns Hopkins University.
- ▲ Meanwhile on the economic data front, US December consumer confidence index report of -4.3 to a 4-month low of 88.6, which was weaker than expectations of an increase to 97.0, and an upward revision to U.S. Q3 GDP to +33.4% (q/q annualized) from +33.1% (q/q annualized). It is the fastest pace of growth since quarterly data began in 1947.
- ▲ Gold is also likely to find support from the Brexit crisis. Time is running out for a Brexit deal, with only nine days left before the UK leaves the EU single-market, with or without a trade agreement.

Outlook

- ▲ Gold prices are likely to find support at the 20-days EMA at \$1,861 per ounce, and the 200-day EMA at \$1,822 levels, while key resistance is likely to be seen around \$1,920 per ounce \$1,963 per ounce.

CRUDE OIL PRICES FELL DUE TO THE WORSENING CORONAVIRUS PANDEMIC

- ▲ Oil prices slid, seeing the worsening covid pandemic situation, after the UK announced strict measures to prevent the spread of the deadly coronavirus, and also many countries blocked flights from the UK. This will reduce fuel consumption, and will be negative for crude oil prices.
- ▲ The American Petroleum Institute (API) reported a build in crude oil inventories of 2.70 million barrels, against the market forecast of a drop of 3.315 million barrels for the week ending December 18. Crude oil prices were also under pressure, after an API report. The EIA will release official inventory data later today.
- ▲ The prospect for additional Libyan and Iranian crude oil on the global market is negative for crude prices. Iranian Oil Minister, Zanganeh, on last Monday, has said that Iran "does not need permission" from fellow OPEC members to increase its oil production. During November, Libya's daily crude output had climbed to 1.25 million bpd, the highest in 10 months. Libya's NOC has said that Libya is targeting a production of 1.3 million bpd by the beginning of 2021.

Outlook

- ▲ WTI Crude oil prices for the January expiry contract is likely to find support near the 20-days EMA at \$46.05 per barrel, and the 50-days EMA at \$43.98 per barrel. Meanwhile, a critical

resistance is seen around \$49.06 per barrel and \$50.00 per barrel.

COPPER PRICES ARE LIKELY TO TRADE FIRM

- ▲ LME 3M Copper prices are trading near \$7,795 per mt, with a positive trend, after a drastic drop from the last two sessions. Weakness in the Dollar Index is supporting industrial metals prices, although the worsening covid pandemic is negative for base metals demand.
- ▲ Copper inventory at LME alone has dropped nearly 37,750 mt in the last one month, which is 28% of the current stock at 119,600 mt, as on 22nd December, 2020.
- ▲ Chile's state-owned Codelco had reached a labour agreement, ahead of schedule with the union of supervisors at its Chuquicamata mine. The 36-month agreement enters into force on April 1. The company agreed to a signing bonus worth nearly \$5,000, but did not increase worker's salaries. The Chuquicamata mine, a massive deposit, produced 385,309 tonnes of copper in 2019.
- ▲ Top Copper producer, Peru, surpassed 1 million confirmed cases of the coronavirus, health officials said on Tuesday, as concerns about a potential second wave of infections began to grow.

Outlook

- ▲ LME 3 month contract is likely to find support around the 20-days EMA at \$7,682 per mt. Meanwhile, an immediate resistance level could be seen around \$7,987-\$8,057 per mt.

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