

Fundamentals:

Gold dropped more than 1% on Thursday as data showing elevated US inflation reinforced expectations of a Federal Reserve interest rate hike later this year, reducing the appeal of the non-yielding metal.

Spot gold was down 1.4% at \$4,008.76 per ounce by 02:09 p.m. EDT (1809 GMT). US gold futures for December delivery settled 0.5% lower at \$4,031.40 per ounce. Bullion is on track for its second straight monthly decline.

"A stubbornly high inflationary outlook that continues to run hotter than Fed targets is paving the way for thoughts that the Fed will raise rates at the December meeting. That's... the main drag on the gold market right now, and today's PCE report did nothing to allay that fear," David Meger, director of metals trading at High Ridge Futures, said.

US inflation, as measured by the Personal Consumption Expenditures Price Index, accelerated in September as consumers paid more for gasoline and other goods.

The PCE climbed 0.5% last month after an unrevised 0.3% rise in August, theCommerce Department's Bureau of Economic Analysis said.

On Wednesday, the Fed kept rates unchanged, as expected, deferring changes to borrowing costs until after next week's US midterm elections.

Traders are pricing in about an 80% chance of a US rate hike in December, according to CME Group's FedWatch Tool. Higher interest rates increase the opportunity cost of holding non-yielding gold.

"The next major focal point of the market is a continued watch on the energy market, as we understand that the energy market is a large portion of those inflationary concerns. So any type of escalation or de-escalation in the Middle East that would result in higher or lower energy prices potentially has a significant effect on metals prices," Meger said.

Investors are also focusing on the November 3 US elections and their potential impact on fiscal policy and broader market sentiment.

Elsewhere, European Central Bank President Christine Lagarde will step down from her role on February 7, the central bank said. The ECB kept interest rates unchanged, but warned that inflation risks were on the rise from surging energy costs.

Spot silver fell 3.5% to \$52.08 per ounce, platinum dropped 3.7% to \$1,481.75 and palladium slid 0.9% to \$1,001.92. All three metals were headed for a second straight monthly decline.

Copper prices eased on Thursday after touching a two-week high in the previous session, as investors stayed on the sidelines, wary about demand from the AI sector and high US inventories.

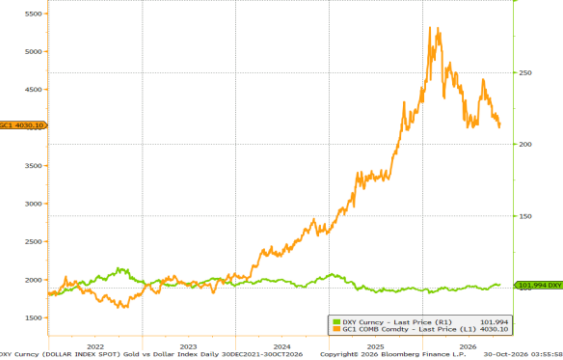
(Source: Reuters)

Contract	Close	Chg	High	Low
GOLD DEC 26	4,031.40	-18.900	4,081.70	4,016.30
SILVER DEC 26	52.380	-1.326	54.445	52.025
COPPER DEC 26	660.25	-6.45	669.70	654.80
PLATINUM JAN 27	1,493.30	-49.00	1,548.60	1,476.30
Gold Spot	4,027.610	-39.74	4,068.92	4,005.47
EuroDollar Rate	0.000	0.000	0.000	0.000
Dollar Index	102.037	-0.157	102.448	101.946
Bursa Gold OCT 26	4,024.900	-27.20	4054.9	4017
SPDR Gold ETF	368.450	-5.060	369.94	366.97
iShares Gold ETF	75.550	-1.020	75.85	75.245

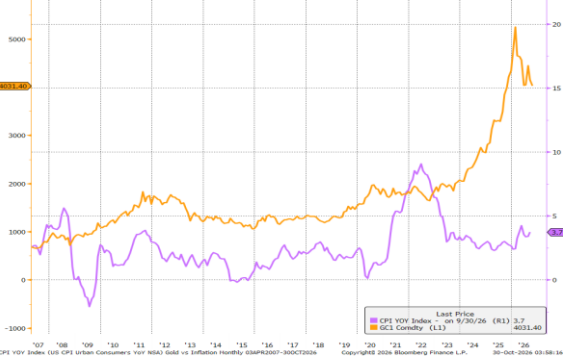
COT Speculative Net Position				Global Gold Mines
Date	Gold	Silver	Copper	Date
20/10/2026	199,865	19,795	57,387	30/6/2026
13/10/2026	207,879	22,631	68,520	31/03/2026
06/10/2026	210,335	23,153	69,434	31/12/2025
29/09/2026	218,632	22,083	85,411	30/09/2025
22/09/2026	225,853	25,444	90,522	30/06/2025
15/09/2026	230,338	25,326	75,134	31/03/2025
08/09/2026	231,960	26,049	92,476	31/12/2024
01/09/2026	228,124	26,739	80,869	30/09/2024
25/08/2026	243,334	25,261	85,266	30/06/2024
18/08/2026	222,189	23,625	79,748	31/03/2024
11/08/2026	217,940	23,646	80,388	31/12/2023

Global Gold Demand From Central Bank Net Purchases		Global Jewellery Consumption		
Date	Tonnes	Date	India (Kgs)	China (Kgs)
30/06/2026	288.86	30/6/2026	75.10	50.04
31/03/2026	56.52	31/3/2026	66.13	86
31/12/2025	208.19	31/12/2025	145.35	82
30/09/2025	226.25	30/9/2025	125.00	84
30/06/2025	177.85	30/6/2025	88.75	69
31/03/2025	235.87	31/3/2025	81.62	125
31/12/2024	365.09	31/12/2024	189.76	106
30/09/2024	196.39	30/9/2024	171.58	102
30/06/2024	211.52	30/6/2024	106.55	86
31/03/2024	313.30	31/3/2024	95.48	184
31/12/2023	216.79	31/12/2023	199.57	148

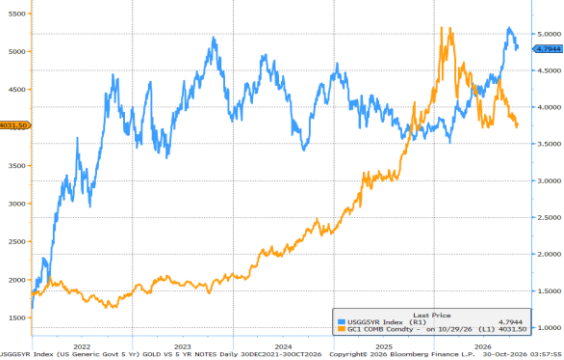
Gold Active Month vs Dollar Index



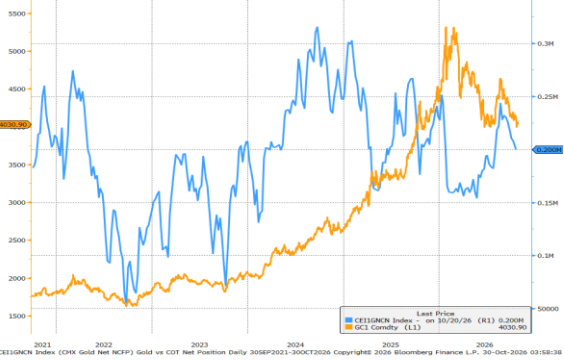
Gold Active Month vs U.S. YoY Inflation



Gold Active Month vs U.S. 5 Years Note Yield



Gold Active Month vs COT Money Managers Net Positions



Comex Gold Daily Chart



Comex Silver Daily Chart



Technical Analysis

Gold				Silver			
1st Resistance:	4091.87	2nd Resistance:	4152.34	1st Resistance:	53.166	2nd Resistance:	53.951
1st Support:	3970.93	2nd Support:	3910.46	1st Support:	51.594	2nd Support:	50.809
MACD:	-66.027			MACD:	-2.547		
MACD DIFF:	-3.303			MACD DIFF:	-0.337		
RSI:	35.971			RSI:	27.190		

Comex Copper Daily Chart



Nymex Platinum Daily Chart



Copper				Platinum			
1st Resistance:	670.15	2nd Resistance:	680.06	1st Resistance:	1515.70	2nd Resistance:	1538.10
1st Support:	650.35	2nd Support:	640.44	1st Support:	1470.90	2nd Support:	1448.50
MACD:	-1.414			MACD:	-59.518		
MACD DIFF:	0.476			MACD DIFF:	-10.324		
RSI:	49.748			RSI:	25.453		

Source: Bloomberg

Kenanga Futures Sdn Bhd (353603-X)

Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my

Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness.

Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document.

This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgment and assessment by addressees in relation to any investment decision.

Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities.

Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market

or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.