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Gold, Silver slips as Fed caution triggers fresh selling, Crude oil reacts to easing middle east risks

Spot gold eased by over 2% to around \$4,850 / oz on Thursday, giving back part of a two-day rebound as fresh selling pressure emerged following a cautious Fed stance on rate cuts. While silver is down by 11% to trade near \$78. Fed Governor Lisa Cook signaled resistance to further easing, stressing that upside inflation risks remain a priority despite early signs of labor market cooling. Adding to the recalibration in rate expectations, Trump's nomination of Kevin Warsh as the next Fed chair was interpreted by markets as a less dovish signal, prompting a slower projected pace of future cuts. Trump, however, stating he expects rates to be lowered again. US–Iran tensions unresolved ahead of planned nuclear talks in Oman, and US keeping military options open. Earlier in the week, gold surged more than 6% in its strongest intraday move since 2008, driven by aggressive dip-buying after a sharp sell-off. Gold remains sensitive to shifts in rate expectations and dollar dynamics. While volatility is likely to persist near term, unresolved geopolitical risks and policy uncertainty continue to provide an underlying support base.

WTI crude futures retreated more than 1.5% to \$64/barrel, snapping a two-day recovery as confirmation of US–Iran talks eased near-term supply disruption concerns. Iranian officials said discussions with US will take place in Oman on Friday, a move that tempered fears of a wider regional escalation that could threaten crude flows from the Middle East. A White House official also confirmed that both sides remain engaged on the prospect of a renewed nuclear dialogue. However, uncertainty around the scope and durability of the talks continues to cap confidence. Iran has indicated it wants discussions limited to its nuclear program, while the US is pushing to widen negotiations to include ballistic missile development, regional proxy activity, and human rights issues. This divergence keeps diplomatic risks elevated despite the resumption of dialogue. Now the geopolitical risk premium has eased, but downside remains guarded. Any breakdown in talks or escalation beyond the nuclear discussion could rapidly revive supply fears.

Base metals are trading under pressure today, led by broad-based weakness across the complex. Copper, zinc, and lead are lower by about 0.5%, while aluminium has slipped around 1%, trading near \$43,040 per tonne. Copper prices have retreated below \$13,000 / ton as signs of demand fatigue emerge. Rising inventories in LME warehouses across Asia point to softer consumption, particularly in China, where higher prices have reduced buying interest among fabricators. Supply pressures are also building after traders redirected additional spot cargoes from Africa into China to capture a short-lived arbitrage between Shanghai and London markets. Adding to the bearish tone, the China Nonferrous Metals Industry Association expects refined copper output to rise about 5% this year, following a 10% increase in 2025, despite already stretched smelting capacity. Near-term risks remain tilted to the downside as easing demand and rising supply limit upside, with any rebounds likely to face selling interest until clearer signs of consumption recovery emerge.

US natural gas futures are holding steady near \$3.64/mmbtu after a near 5% rise on Wednesday, driven by stronger feedgas demand from LNG export facilities. Average flows to the eight largest US LNG terminals climbed to 18.3 bcf/d in February, nearing December's record levels. While production in the Lower 48 remains stable, recent Arctic-driven storage drawdowns have tightened balances. Warmer forecasts may cap upside, but firm LNG demand keeps the near-term fundamental bias positive.

Date	IST	Currency		Forecast	Previous
05-Feb-2026	19:00	USD	Unemployment Claims	212K	209K
	20:30	USD	JOLTS Job Openings		
	21:00	USD	Natural Gas Storage	-379B	-242B

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	4433.3	4666.8	4738.9	4855.7	4972.4	5044.6	5278.1
	MCX Gold Apr	137067	145433	148017	152200	156383	158967	167333
	Spot Silver	58.26	69.27	72.67	78.18	83.69	87.09	98.10
	MCX Silver Mar	198803	226940	235632	249700	263768	272460	300597
	MCX Copper Feb	1133.7	1187.5	1204.1	1231.0	1257.9	1274.5	1328.3
	MCX Zinc Feb	304.7	312.8	315.3	319.4	323.5	326.0	334.1
	MCX Lead Feb	182.7	186.5	187.6	189.6	191.5	192.6	196.4
	MCX Aluminium Feb	290.5	299.7	302.6	307.2	311.7	314.6	323.8
	MCX Crude Oil Feb	5517	5683	5734	5817	5900	5951	6117
	MCX Natural Gas Feb	265.61	291.53	299.54	312.50	325.46	333.47	359.39

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



Evening Track

Source: Trading View

RATING SCALE FOR DAILY REPORT

BUY	We expect the commodity to deliver 1% or more returns
SELL	We expect the commodity to deliver (-1%) or more returns
SIDEWAYS	We expect the commodity to trade in the range of (+/-)1%
NOTE - The recommendations are valid for one day from the date of issue of the report, subject to mentioned stop loss, if any	

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