

Riteshkumar Sahu (riteshkumar.sahu@kotak.com), Abhijit Chavan (chavan.abijit@kotak.com)

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Tariff turmoil continues to weigh on markets

Comex gold futures edged higher today, supported by safe-haven demand and a continued rise in China's gold purchases. The People's Bank of China increased its gold reserves for the fifth consecutive month in March, bringing its total to \$229.59 billion by the end of the month, up from \$208.64 billion at the end of February. Additionally, swaps traders are now pricing in more than four quarter-point rate cuts by the Fed by the end of the year, compared to around three on April 1. This comes despite Fed Chair Jerome Powell signaling that policymakers are unlikely to rush to counter the economic impact of Trump's tariffs on the U.S. economy. Gold prices saw a sharp decline last Friday, in line with a broader market slump, as Trump's tariffs and China's retaliatory measures dampened market sentiment.

WTI crude continues its decline, falling below \$59 per barrel, as concerns over escalating trade war rhetoric persist, with Trump maintaining his firm stance on tariffs. Additionally, Saudi Arabia has reduced the price of its key Arab Light crude to Asia for the second consecutive month in May, marking the largest cut since 2022. This, coupled with a deteriorating demand outlook, is fueling supply concerns in the market.

China hasn't imported liquefied natural gas from the US for 60 days, the longest gap in five years, as worsening relations between Beijing and Washington lead the nation's buyers to divert shipments. (Bloomberg)

LME base metals remained under pressure as markets did not receive the much-anticipated relief from trade tariff negotiations over the weekend. In fact, Trump took a firm stance, repeatedly defending the tariff measures unveiled last week, while China, over the weekend, pledged decisive action to protect its economy through "resolute measures" aimed at safeguarding its sovereignty, security, and other interests.

China's policymakers discussed measures over the weekend to stabilize the economy and the markets in the face of US President Donald Trump's tariff onslaught, including whether to accelerate plans to unleash stimulus to bolster consumption, according to people familiar with the matter. (Bloomberg)

There are no major data releases scheduled for today. Traders are cautiously awaiting upcoming U.S. inflation data, consumer sentiment, and inflation expectations. If inflation comes in higher than expected, it could provide additional support for the dollar, especially given that Fed Chair Jerome Powell has already signaled a cautious approach to future rate cuts.

Other key data points to watch include UK GDP, China's CPI, the RBI's monetary policy decision, and speeches from various central bank officials.

Risk sentiment may remain subdued as Asian and European markets continue their selling streak, driven by intensifying global turmoil.

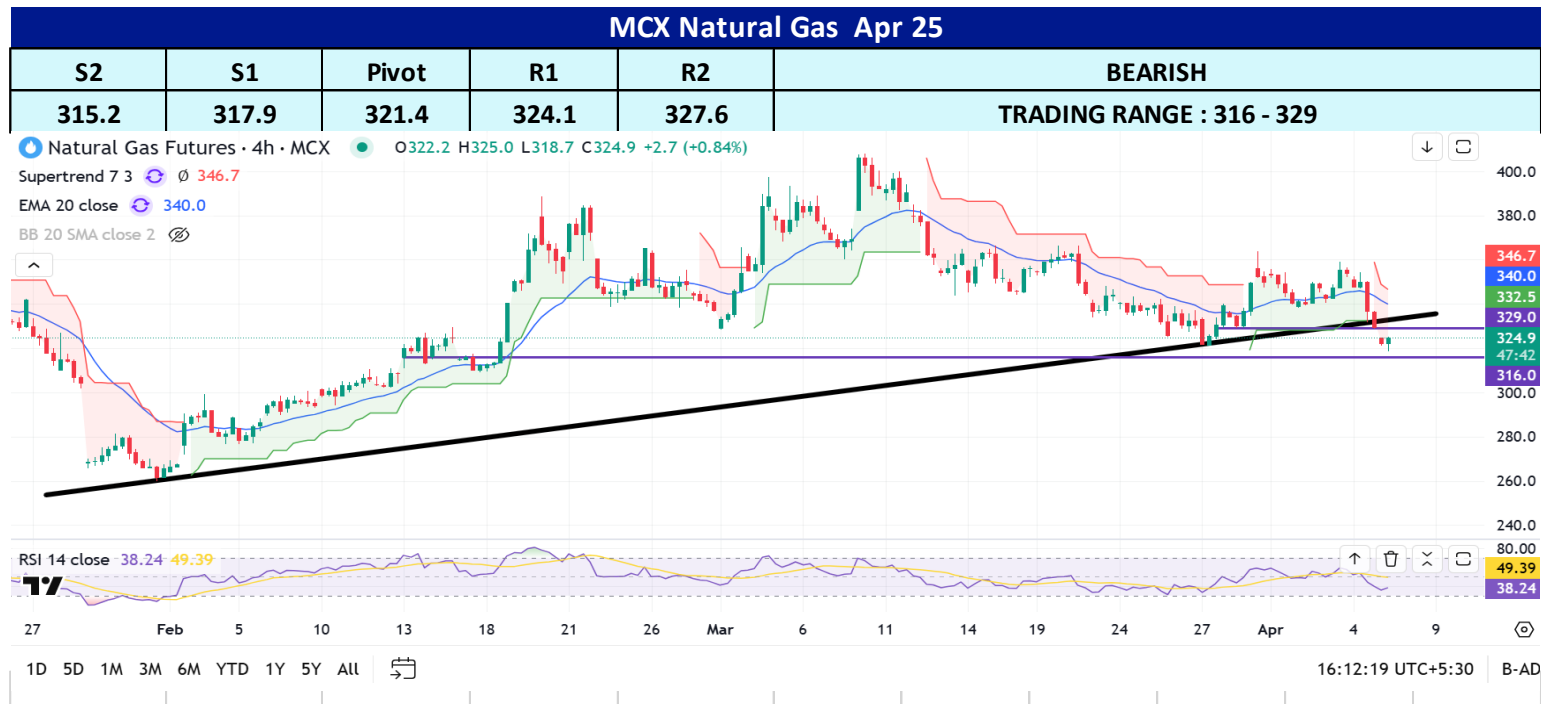
Date	IST	Currency	Data	Forecast	Previous
07-Apr-25	20:00	USD	FOMC Member Kugler Speaks		

Source: Forex factory

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2934.8	2987.0	3003.1	3029.2	3055.3	3071.4	3123.6
	MCX Gold Jun	86428	87474	87797	88320	88843	89166	90212
	Spot Silver	28.26	29.43	29.78	30.37	30.95	31.31	32.47
	MCX Silver May	84902	87427	88207	89470	90733	91513	94038
	MCX Copper Apr	769.3	788.2	794.0	803.5	812.9	818.7	837.6
	MCX Zinc Apr	241.8	246.1	247.5	249.7	251.8	253.2	257.5
	MCX Lead Apr	172.3	173.9	174.4	175.2	176.0	176.5	178.1
	MCX Aluminium Apr	226.1	229.6	230.7	232.5	234.3	235.4	238.9
	MCX Crude Oil Apr	4825	5011	5069	5162	5255	5313	5499
	MCX Natural Gas Apr	297.39	310.22	314.18	320.60	327.02	330.98	343.81

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



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	

FUNDAMENTAL RESEARCH TEAM

Anindya Banerjee	Head of Research
Kaynat Chainwala	AVP, Commodity Research
Riteshkumar Sahu	Agri-Complex
Saish Sawant Dessai	Base Metals

TECHNICAL RESEARCH TEAM

Abhijit Chavan	Ian Gonsalves	Yadnesh Shendge	Jimesh Chauhan	Durgesh Ugawekar
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