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**Crude oil extends losses amid tariffs & output fears, Gold retreats as trade war uncertainty**

Comex Gold futures experienced a slight retreat, hovering below \$2,930 per ounce, after a robust two-session rally fueled by Trump's escalated tariffs. The near-record high, just shy of last week's peak, reflects heightened safe-haven demand amidst trade uncertainties. Trump's doubled tariffs on China and levies against Canada and Mexico have sparked inflation and global growth slowdown concerns, bolstering gold's appeal. While Commerce Secretary Lutnick hinted at potential tariff relief for US neighbors, market anxieties persist. A JPMorgan Treasury client survey reveals record bullish bond positions, indicating growing fears of US economic disruption from the trade disputes. Gold, up over 40% since late 2023, remains a key asset in this climate of uncertainty.

WTI crude oil remained under pressure to trade below \$67.50/barrel, following Commerce Secretary Lutnick's comments regarding potential, though limited, tariff adjustments on Mexico and Canada. This injected fresh market uncertainty, exacerbating existing concerns over potential trade wars. Crude has declined since mid-January, driven by fears that escalating trade tensions, particularly U.S. tariffs, will dampen global energy demand. Oil options traders reflect heightened bearish sentiment, reaching a five-month peak, due to tariff-related anxieties and OPEC+'s planned production increases. The market remains sensitive to geopolitical developments, with ongoing trade disputes posing a significant downside risk to oil prices.

LME base metals surged, with copper and zinc leading gains, rebounding from earlier week losses due to persistent anxieties regarding potential US tariffs on copper imports, initiated by President Trump to bolster domestic production. The proposed tariffs threaten to strain US supply, given its reliance on imports and limited smelting capacity. Concurrently, imminent US aluminum and steel tariffs further exacerbate global metal market pressures. Market sentiment was also buoyed by China's confirmation of its 2025 GDP growth target at "around 5%," a key indicator for copper demand, as China remains the largest consumer. This combined effect of potential supply constraints and sustained Chinese demand drove the LME metal price rally.

European natural gas trading around €44/MWh, following a three-week decline exceeding 20% due to heightened geopolitical uncertainty, notably escalating US-Ukraine tensions and evolving US trade policies. Market participants are reducing exposure, evidenced by a 10-month low in aggregate open interest, signaling position closures reflects unease regarding potential impacts on European gas supplies. The region faces the critical task of replenishing storage reserves amidst this uncertainty, contributing to increased market volatility. The confluence of geopolitical factors and storage pressures is driving the current market dynamics.

Today, traders eye Services PMI from major global economies and US private payrolls numbers for hints on economic health.

Date	IST	Currency	Data	Forecast	Previous
05-Mar-25	18:45	USD	ADP Non-Farm Employment Change	141K	183K
	20:15	USD	Final Services PMI	49.7	49.7
	20:30	USD	ISM Services PMI	52.5	52.8
	20:30	USD	Factory Orders m/m	1.7%	-0.9%
	21:00	USD	Crude Oil Inventories	0.6M	-2.3M

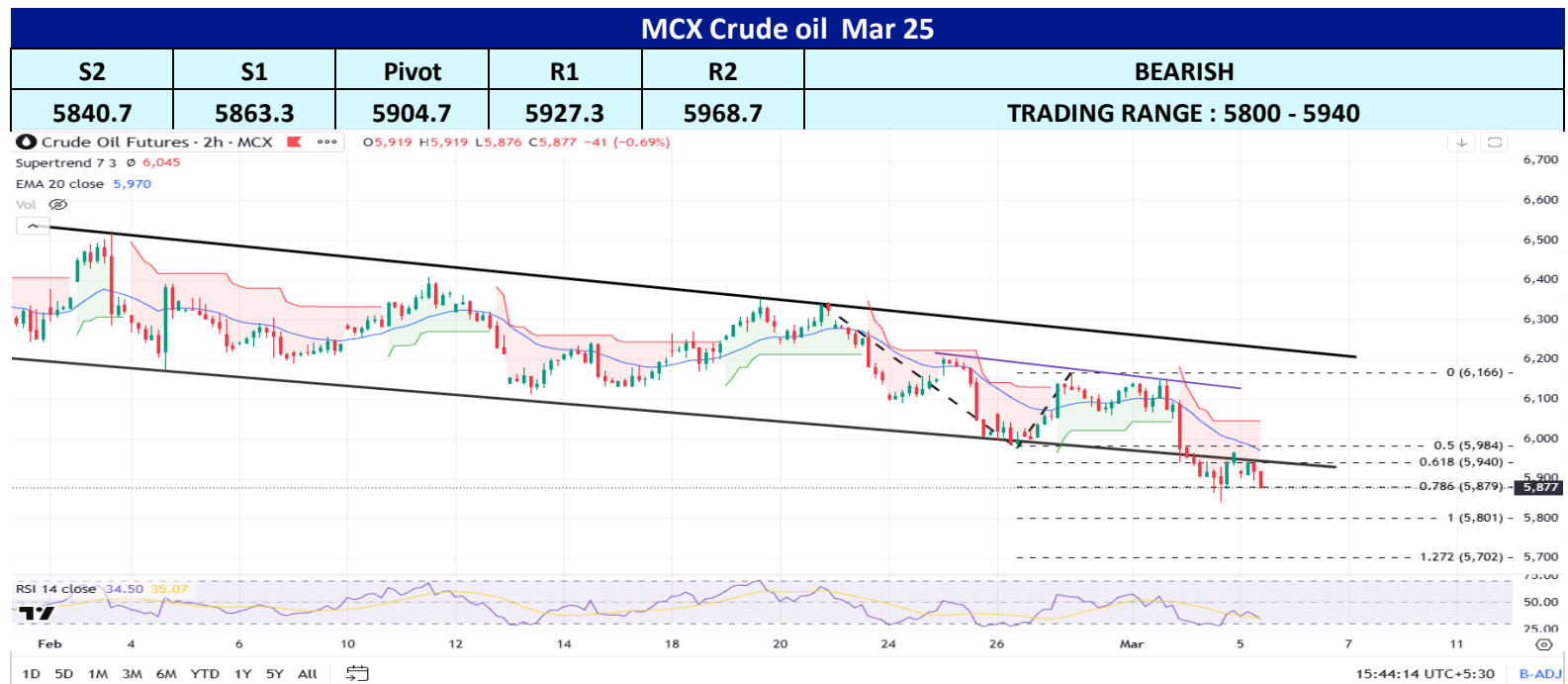
Source: Forex factory

# Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2864.0	2894.6	2904.0	2919.3	2934.6	2944.0	2974.6
	MCX Gold Apr	84772	85451	85661	86001	86341	86551	87230
	Spot Silver	31.40	31.92	32.07	32.33	32.58	32.74	33.25
	MCX Silver Mar	93767	94919	95274	95850	96426	96781	97933
	MCX Copper Mar	862.6	870.1	872.5	876.2	879.9	882.3	889.8
	MCX Zinc Mar	266.7	269.3	270.1	271.4	272.7	273.5	276.1
	MCX Lead Mar	179.7	180.5	180.7	181.1	181.5	181.7	182.5
	MCX Aluminium Mar	256.5	258.3	258.9	259.8	260.7	261.3	263.1
	MCX Crude Oil Mar	5712	5808	5838	5886	5934	5964	6060
	MCX Natural Gas Mar	337.71	356.11	361.80	371.00	380.20	385.89	404.29

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



Source: Trading View

## RATING SCALE FOR DAILY REPORT

<b>BUY</b>	We expect the commodity to deliver 1% or more returns
<b>SELL</b>	We expect the commodity to deliver (-1%) or more returns
<b>SIDEWAYS</b>	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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