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**Gold up on demand surge amid trade uncertainty, OPEC+ announcement drives Crude oil to fresh 3-Month low**

Comex gold futures surged nearly 0.90%, surpassing \$2,926 per ounce in today’s trade, driven by heightened U.S. market uncertainty. Escalating trade tensions, with the U.S. imposing tariffs on Mexico, Canada, and China, fueled fears of a significant economic slowdown. China's retaliatory 15% tariffs on U.S. farm goods, coupled with doubled U.S. levies on Chinese imports and new duties on North American partners, intensified concerns. Geopolitical instability, exemplified by the U.S. pausing military aid to Ukraine, further contributed to market anxiety. Compounding these issues are concerns of rising inflationary pressures, complicating monetary policy and prompting a flight to safe-haven assets like gold. Meanwhile, soft manufacturing data added to a slew of disappointing US indicators in recent weeks that point to weaker housing, rising unemployment claims and a drop in personal spending have boosted Fed interest-rate cuts later this year.

WTI crude oil declined to near \$67.5 per barrel, trading near 3-months low, pressured by OPEC+'s decision to incrementally increase output by 138,000 barrels per day starting in April, the first such rise since 2022, fueled oversupply concerns. . OPEC+'s output increase, while potentially reversible, initially triggered a sharp price drop, reflecting market apprehension regarding potential imbalances. Moreover, the implementation of US tariffs on key trading partners, including China, Canada, and Mexico, amplified economic uncertainty and projected a dampening effect on future oil demand. The trade tensions, coupled with the US pausing military aid to Ukraine, further destabilized market sentiment. China's retaliatory tariffs on US agriculture underscored the escalating trade conflict

LME base metals are trading under pressure, with copper and zinc declining about 0.40%, trading near \$9,380 and \$2,826 per ton, respectively. China's projected record refined copper output, amidst smelter losses due to concentrate shortages, contrasts with broader market weakness. US tariff escalations on China, including doubled levies, anticipate Beijing's response is keeping prices under pressure. The US probe into copper import tariffs, alongside immediate tariffs on other base metals, signals a shift towards domestic reliance, challenged by limited smelting capacity and substantial import dependence. This policy could significantly reshape global copper trade flows. The upcoming National People’s Congress focuses attention on potential stimulus, particularly for property and construction, though large-scale steel-intensive measures appear improbable.

European natural gas futures experienced a 4.5% decline on Tuesday, reversing Monday's surge, amidst heightened geopolitical volatility. President Trump's trade escalations and cessation of Ukrainian military aid are key factors, introducing uncertainty regarding future gas supplies. Market participants are evaluating the feasibility of summer storage replenishment and potential revisions to reserve targets. A potential Russia-Ukraine peace agreement could reinstate Russian flows, while US-China tariffs might reroute LNG shipments. This confluence of variables has driven 30-day gas futures volatility to near-May 2023 highs, highlighting the market's sensitivity to geopolitical developments.

Today, no major economic data lined up but US job report due this week will keep traders cautious as it impacts the Fed’s interest rate cut expectations.

Date	IST	Currency	Data	Forecast	Previous
04-Mar-25					

Source: Forex factory

# Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2854.8	2887.8	2898.0	2914.5	2931.0	2941.2	2974.2
	MCX Gold Apr	84859	85617	85851	86230	86609	86843	87601
	Spot Silver	30.93	31.44	31.60	31.85	32.10	32.26	32.76
	MCX Silver Mar	93074	94188	94532	95089	95646	95990	97104
	MCX Copper Mar	852.1	858.5	860.6	863.8	867.0	869.1	875.5
	MCX Zinc Mar	264.0	266.5	267.2	268.5	269.8	270.5	273.0
	MCX Lead Mar	178.7	179.5	179.8	180.2	180.5	180.8	181.6
	MCX Aluminium Mar	254.6	256.6	257.3	258.3	259.2	259.9	261.9
	MCX Crude Oil Mar	5748	5844	5874	5922	5970	6000	6096
	MCX Natural Gas Mar	329.89	344.60	349.14	356.50	363.86	368.40	383.11

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	

## FUNDAMENTAL RESEARCH TEAM

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