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June 26, 2025

Gold steadies amidst Mideast De-escalation hopes and Fed Rate Cut speculation; Oil holds steady as US maintains Iran pressure

Comex Gold futures surged past \$3,350 per ounce, underpinned by a sharp decline in the US dollar stemming from heightened dovish signals from the Federal Reserve. President Trump's suggestion of an early Fed Chairman announcement, expected to favor a pro-low-rate candidate, amplified market expectations for looser monetary policy. This sentiment was further reinforced by Chairman Powell's remarks implying that softer tariffs would be disinflationary, prompting the FOMC to consider easing financial conditions. Concurrently, major central banks including the ECB, BoE, PBoC, RBI, and SNB have initiated rate cuts, reducing the opportunity cost of holding non-yielding gold. Geopolitical de-escalation between Iran and Israel moderated an even stronger rally.

WTI Crude Oil has stabilized above \$65 per barrel, influenced by US President Donald Trump's reaffirmation of his "maximum pressure" campaign on Iran, targeting its oil revenues. This clarity followed earlier mixed signals regarding the strategy. Trump also hinted at potential talks with Iran next week. Earlier in the week, oil saw its largest two-day decline since 2022 after an agreed truce between Israel and Iran eased Middle East supply disruption fears, with Trump declaring the conflict "over" post-US bombings of Iranian nuclear sites. The market's focus now shifts to the July 6 OPEC+ meeting, which will determine August's production policy, with Russia open to output increases if deemed necessary.

LME base metals are trading sharply higher, with all major metals up nearly 1%, led by copper which has surged over 1.5% to \$9,862.50/ton, hitting a two-month high. The rally comes amid mounting tariff risks from the U.S., prompting traders to shift metal across exchanges and triggering supply squeezes at key storage hubs. LME copper inventories have plunged over 63% YTD to around 93,000 tons, as shipments were redirected to the U.S. ahead of potential tariffs. Despite a slight easing in spreads, supply tightness persists, pressuring Chinese smelters to boost exports to meet LME obligations.

European natural gas prices have significantly declined, with benchmark futures falling as much as 2.7% on Thursday, following a sustained truce between Israel and Iran. This de-escalation has eased regional supply concerns, allowing traders to refocus on bolstering winter reserves. Prices have dropped over 15% this week, returning to pre-conflict levels. Europe's natural gas storage sites are now over 56% full, a substantial recovery from winter depletion. Furthermore, subdued demand from China is expected to aid Europe's continued efforts in replenishing its stockpiles, mitigating ongoing supply vulnerabilities.

Today, market focus will be on data releases, including the US Final Q1 GDP and initial jobless claims followed by US durable goods order and pending home sales.

Date	IST	Currency	Data	Forecast	Previous
26-Jun-2025	18:00	USD	Final GDP q/q	-0.2%	-0.2%
	18:00	USD	Unemployment Claims	244K	245K
	18:00	USD	Core Durable Goods Orders m/m	0.1%	0.2%
	18:00	USD	Durable Goods Orders m/m	8.6%	-6.3%
	18:00	USD	Final GDP Price Index q/q	3.7%	3.7%
	19:30	USD	Pending Home Sales m/m	0.2%	-6.3%
	20:00	USD	Natural Gas Storage	88B	95B

Source: Forexfactory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	3261.5	3296.5	3307.3	3324.8	3342.3	3353.1	3388.1
	MCX Gold Aug	95428	96431	96741	97243	97745	98055	99058
	Spot Silver	34.78	35.31	35.48	35.74	36.01	36.17	36.71
	MCX Silver Jul	102368	103737	104160	104845	105530	105953	107322
	MCX Copper Jun	866.7	872.1	873.7	876.5	879.2	880.8	886.2
	MCX Zinc Jun	251.2	253.2	253.8	254.9	255.9	256.5	258.5
	MCX Lead Jun	176.5	177.6	178.0	178.6	179.2	179.6	180.7
	MCX Aluminium Jun	240.6	243.1	243.8	245.0	246.2	246.9	249.4
	MCX Crude Oil Jul	5220	5443	5512	5624	5736	5805	6028
	MCX Natural Gas Jun	283.00	294.17	297.62	303.20	308.78	312.23	323.40

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



Source: Trading View

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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