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Gold resumes uptrend amid ETF Inflows and global trade uncertainties, Oil prices flat as Russia-Ukraine talks loom

Comex gold futures approached record highs as it trade near \$2,958/oz, bolstered by a weakening USD, enhancing affordability for non-dollar buyers. Moreover,, ETF holdings surged, indicating robust demand. Market focus shifts to Friday's PCE data, the Fed's preferred inflation gauge, anticipated to show a cooling trend. This report will be crucial in shaping rate cut expectations. Last week, Gold recorded its eighth consecutive week of gains and a fresh high in recent days on fears that the U.S. could unwind its support for Ukraine in the war against Russia. Swaps markets now price in a potential July 2025 rate reduction, earlier than previous September forecasts. Lower interest rates generally support gold prices. Traders are closely monitoring the upcoming PCE release to further understand the Fed's policy trajectory, as it directly impacts gold's investment appeal.

WTI crude oil futures stabilized around \$70.50 per barrel following an initial gap-down, reflecting market sensitivity to geopolitical developments. Investors are closely monitoring efforts to resolve the Russia-Ukraine conflict, with EU leaders scheduled for an extraordinary summit on March 6. Short-term price fluctuations are expected to be driven by geopolitical factors and U.S. policy. Notably, downward pressure stems from U.S. efforts to resume Iraqi oil exports from Kurdistan, potentially adding 185,000 barrels per day via the Iraq-Turkey pipeline. Concurrently, planned U.S.-Russia discussions to improve relations are being observed. These developments are shaping market sentiment amid ongoing supply and demand dynamics.

LME Copper futures trading steady near \$9,500 per ton, rebounding from recent declines, driven by persistent supply tightness concerns. However, market participants are observing potential tariff impacts from the US, though copper remains unaffected. Optimism regarding a US-China trade resolution followed a recent phone call between officials. China's 2025 foreign investment plan aims to mitigate economic headwinds amid geopolitical uncertainties. Moreover, LME aluminum futures dropped by 1.26% to \$2,650 per tonne while LME Zinc is down more than 2% as speculation of eased US sanctions on Russia alleviated supply fears. Rusal HDR, the world's largest aluminum producer outside China, experienced a significant surge, indicating anticipated access to new export markets. This occurred despite potential new EU sanctions on Russian aluminum, creating a complex supply-demand dynamic.

Henry Hub Natural gas futures experienced a significant correction, dropping over 5% to near \$4/MMBtu, reversing gains from last week's 25-month high amid to revised weather forecasts predicting milder temperatures and a rebound in production, alleviating immediate supply anxieties. The previous surge, driven by an Arctic blast that triggered a 14% price increase due to heightened heating demand and production freeze-offs, is now subsiding. Production is recovering as freeze-offs diminish. Conversely, LNG export demand remains robust, with February flows averaging a record 15.5 bcf, up from January's 14.6 bcf, indicating continued strong international demand.

Date	IST	Currency	Data	Forecast	Previous
24-Feb-25			No Major US data release today		

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2894.6	2921.8	2930.2	2943.8	2957.3	2965.7	2992.9
	MCX Gold Apr	85117	85745	85938	86252	86566	86759	87387
	Spot Silver	31.60	32.11	32.26	32.51	32.76	32.92	33.42
	MCX Silver Mar	93996	95051	95377	95905	96433	96759	97814
	MCX Copper Feb	851.9	858.7	860.9	864.3	867.7	869.9	876.7
	MCX Zinc Feb	263.7	266.4	267.2	268.6	269.9	270.7	273.4
	MCX Lead Feb	176.2	177.6	178.0	178.7	179.3	179.7	181.1
	MCX Aluminium Feb	257.0	259.7	260.5	261.9	263.2	264.0	266.7
	MCX Crude Oil Mar	5973	6054	6079	6119	6159	6184	6265
	MCX Natural Gas Feb	314.45	333.33	339.16	348.60	358.04	363.87	382.75

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

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