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Gold Tumbles on US –China trade deals and Mideast Ceasefire; Crude Oil recovers on lower inventories

Comex Gold August futures fell below \$3,300 per ounce on Friday, slipped to 4-week low amid receding geopolitical risks and a notable easing of trade tensions between the US and China and the ceasefire between Israel and Iran have diminished geopolitical risk.. The two nations have finalized their "London trade deal," which operationalizes the Geneva consensus, committing China to approve export applications for controlled goods while the US lifts various trade restrictions. Further alleviating trade concerns, the White House downplayed the urgency of upcoming tariff deadlines, hinting at potential extensions. Meanwhile, investors continue to assess the Fed's interest rate outlook as Trump may announce his Fed Chair nominee as early as September or October, potentially favoring a candidate advocating for looser monetary conditions. The market now awaits today's PCE inflation report, with gold poised for its second consecutive weekly decline.

WTI crude oil futures climbed for a third consecutive session, trading above \$65.70 per barrel on Friday but poised for its most significant weekly decline since March 2023. This follows a ceasefire announcement between Israel and Iran, which calmed initial market fears of substantial supply disruptions. Earlier in the week, prices surged after US actions against Iranian nuclear sites, only to ease after Trump announced the ceasefire. While Trump has sent mixed signals regarding the effectiveness of US sanctions on Iran's oil revenues, admitting China's continued purchases, other factors are offering support. Strong US summer driving season demand is depleting crude inventories to an 11-year seasonal low, and a weaker dollar is cushioning losses. Investors are now keenly awaiting developments in US-China trade talks and the upcoming July 6 OPEC meeting.

LME base metals slipped after a strong prior session, with all metals trading lower on Friday. Copper eased 0.58% to \$9,842/ton but remains on track for its best weekly gain since April, driven by a deepening supply squeeze on the LME. Spot premiums and near-term spreads have surged as traders rush to redirect shipments to the U.S. ahead of potential tariffs, depleting inventories on the LME and in China. The one-day contract premium spiked to \$98/ton, which was the highest since the 2021 short squeeze before easing to \$45/ton. Chinese smelters are boosting exports to meet LME delivery obligations, further straining global supply.

European natural gas futures are set for their most significant weekly drop in nearly two years and marking the sixth consecutive daily fall as geopolitical concerns in the Middle East have subsided. This represents the largest weekly loss since July 2023. The sharp decline follows a sudden ceasefire between Iran and Israel, brokered by US President Donald Trump. This de-escalation alleviated fears of disruptions to the Strait of Hormuz, a crucial choke point for a fifth of global liquefied natural gas (LNG) trade. Prior to the ceasefire, the brief conflict had driven energy prices higher for two weeks, with potential disruptions threatening Europe's LNG imports from Qatar, which comprise about 10% of its total.

Today, market now focus on US PCE inflation report and the revised UoM consumer sentiments.

Date	IST	Currency	Data	Forecast	Previous
27-Jun-2025	18:00	USD	Core PCE Price Index m/m	0.1%	0.1%
	19:30	USD	Revised UoM Consumer Sentiment	60.4	60.5
	19:30	USD	Revised UoM Inflation Expectations		5.1%

Source: Forexfactory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	3221.4	3256.6	3267.5	3285.1	3302.7	3313.5	3348.7
	MCX Gold Aug	93932	94932	95240	95740	96240	96548	97548
	Spot Silver	34.87	35.45	35.63	35.92	36.21	36.39	36.97
	MCX Silver Jul	101892	103383	103844	104589	105334	105795	107286
	MCX Copper Jul	878.0	884.1	886.0	889.0	892.0	893.9	900.0
	MCX Zinc Jul	252.9	255.6	256.5	257.9	259.2	260.1	262.8
	MCX Lead Jul	178.9	179.5	179.7	180.0	180.3	180.5	181.1
	MCX Aluminium Jul	243.5	245.5	246.1	247.1	248.1	248.7	250.7
	MCX Crude Oil Jul	5313	5488	5542	5630	5718	5772	5947
	MCX Natural Gas Jul	290.37	301.28	304.65	310.10	315.55	318.92	329.83

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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