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July 9, 2025

Gold extends decline as Trump affirms tariff deadline; Crude oil weighs stockpiles and trade fallout

Comex August Gold extended its decline below \$3,300 per ounce following Trump's announcement that the "reciprocal" tariffs, initially delayed to July 9, will now be enforced by August, with no further delays. This extension aims to facilitate ongoing trade negotiations, easing immediate fears of a global trade worst-case scenario and consequently dampening safe-haven demand for gold. However, the potential for new tariffs on copper and pharmaceuticals, as hinted by Trump, could reignite haven interest. Concurrently, gold faces downward pressure from rising US Treasury yields. Investors are paring back expectations for Federal Reserve interest-rate cuts by year-end, leading to higher borrowing costs, which typically act as a headwind for non-yielding assets like bullion.

WTI Crude oil prices are holding above \$68.5 per barrel amidst mixed signals. US crude inventories reportedly rose by 7.1 million barrels last week, according to the American Petroleum Institute (API), marking the largest increase since January if confirmed by government data. This surge in stockpiles is a key factor. Concurrently, President Trump's persistent tariff agenda, including new rates on copper imports, continues to fuel concerns over global demand, contributing to oil's year-to-date decline. While recent Israel-Iran tensions briefly heightened volatility, a fragile truce has redirected focus to international trade and OPEC+ supply policies. In US, volatile prices are curbing US drilling activity, with the EIA revising down its crude output growth estimate.

LME base metals traded lower on Wednesday, with copper at the center of attention after prices plunged over 2% to \$9,593.50/ton. The drop followed US President Donald Trump's unexpected announcement of a 50% tariff on copper imports, far above market expectations, triggering chaos across metals markets. The news sent COMEX copper prices soaring as much as 17% on Tuesday to an all-time high, while LME prices fell, widening the spread between the two benchmarks to a record 25%, or over \$2,500/ton. The proposed tariff, revealed in an impromptu remark to reporters, aims to boost domestic mining and smelting but has raised significant concerns due to the US's limited refining capacity. While the exact implementation date, grace periods, and tariff scope remain unclear, US manufacturers fear higher input costs across sectors reliant on copper.

European natural gas prices rose for a third consecutive day, the longest streak since mid-June, driven by anticipated heat waves across the region. Benchmark futures climbed 1.6% on Wednesday. Above-normal temperatures forecast from France to Spain and the UK this week, potentially boosting fuel consumption for cooling and straining French nuclear output due to rising river temperatures. Simultaneously, hot weather in China, a key competitor for liquefied natural gas (LNG), hasn't yet translated into increased buying, with European LNG imports remaining seasonally high.

Today, traders awaited the release of the June FOMC meeting minutes for further clarity on the Fed's policy trajectory amid evolving inflation and growth expectations.

Date	IST	Currency	Data	Forecast	Previous
09-Jul-2025	19:30	USD	Final Wholesale Inventories m/m	-0.2%	-0.3%
	20:00	USD	Crude Oil Inventories	-1.7M	3.8M
	11.30	USD	FOMC Meeting Minutes		

Source: Forexfactory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	3231.0	3264.3	3274.6	3291.2	3307.8	3318.1	3351.4
	MCX Gold Aug	94534	95312	95553	95942	96331	96572	97350
	Spot Silver	35.70	36.21	36.36	36.61	36.86	37.02	37.52
	MCX Silver Sep	105847	106919	107249	107785	108321	108651	109723
	MCX Copper Jul	867.4	875.9	878.6	882.9	887.1	889.8	898.3
	MCX Zinc Jul	252.4	254.6	255.3	256.5	257.6	258.3	260.5
	MCX Lead Jul	179.4	180.1	180.3	180.7	181.1	181.3	182.0
	MCX Aluminium Jul	245.1	246.7	247.2	248.0	248.8	249.3	250.9
	MCX Crude Oil Jul	5673	5789	5825	5883	5941	5977	6093
	MCX Natural Gas Jul	263.19	272.87	275.86	280.70	285.54	288.53	298.21

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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