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Trump tariffs fuel gold's record-breaking rally

Comex Gold April futures surged to a record \$3,094.90 per troy ounce, driven by escalating trade war anxieties as President Trump's auto import tariffs and threats of further levies against the EU and Canada intensified safe-haven demand. Gold prices have increased by about 8.2% this month supported by geopolitical tensions and robust central bank purchases. Potential reciprocal tariffs on April 2nd introduce additional market uncertainty, with possible inflationary and growth-dampening effects. Federal Reserve commentary, highlighting a "moderately restrictive" policy amidst economic flux, adds to the complex market landscape. Traders are now focused on the U.S. PCE data, a key inflation indicator for the Federal Reserve.

WTI Crude Oil prices poised for a third consecutive weekly increase as it trade near \$70 per barrel, driven by impending US tariffs, including reciprocal levies and duties on Venezuelan crude, set to take effect on April 2nd. The uptrend in Crude oil initiated in early March, reflects market concerns over supply disruptions stemming from President Trump's sanctions and tariffs, prompting bullish option trading. Despite Venezuela's increased crude exports to China, offsetting some supply concerns, bearish sentiment persists among top trading houses due to potential demand softening and rising supply. OPEC+ is scheduled to begin restoring idled production next month, further influencing market dynamics.

LME base metals exhibited a mixed trend, with zinc continuing to show weakness, as prices slip over 1% to \$2,866.50/tonne, while copper too continued its retreat from record highs as traders locked in profits. Copper had surged past \$10,000 earlier in the week after reports that U.S. President Donald Trump plans to impose import tariffs within weeks, accelerating the expected timeline. This sparked a rush in U.S. copper imports, with recent shipments soaring to 500,000 tons, far above the usual monthly average of 70,000 tons, tightening supply in key markets, particularly in Asia. As traders reassess their ability to secure supply before tariffs take effect, copper remains on track for a weekly decline amid ongoing market uncertainty.

European natural gas futures are poised for their first weekly decline in three, with a projected 4% drop, as the heating season concludes and market focus shifts to winter restocking. Withdrawing from storage facilities is decelerating ahead of the April 1st storage year commencement. Absent unexpected April cold, injection rates into Europe's extensive underground reserves will be paramount. The diminishing seasonal spread, where autumn delivery prices approach or surpass May/June levels, could stimulate early storage replenishment. Energy Aspects Ltd. highlights that diminished April 1st European stocks necessitate a substantial year-on-year surge in injection demand to meet mandated storage targets.

Today, Investors now focused on upcoming US core PCE, personal spending, and consumer sentiment data for market direction.

Date	IST	Currency	Data	Forecast	Previous
28-Mar-25	18:00	USD	Core PCE Price Index m/m	0.3%	0.3%%
	19:30	USD	Revised UoM Consumer Sentiment	57.9	57.9
	19:30	USD	Revised UoM Inflation Expectations		4.9%

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	3026.6	3052.1	3060.0	3072.7	3085.4	3093.3	3118.8
	MCX Gold Apr	87586	88213	88406	88720	89034	89227	89854
	Spot Silver	33.51	33.99	34.14	34.39	34.63	34.78	35.26
	MCX Silver May	99394	100588	100956	101553	102150	102518	103712
	MCX Copper Apr	881.3	889.5	892.0	896.1	900.2	902.7	910.9
	MCX Zinc Apr	265.3	267.9	268.7	270.0	271.3	272.1	274.7
	MCX Lead Apr	178.0	179.3	179.7	180.3	180.9	181.3	182.6
	MCX Aluminium Apr	245.6	247.8	248.4	249.6	250.7	251.3	253.5
	MCX Crude Oil Apr	5871	5943	5965	6001	6037	6059	6131
	MCX Natural Gas Apr	315.07	325.75	329.06	334.40	339.74	343.05	353.73

Source: Bloomberg, KS Commodity Research Please See Disclosure/Disclaimer at end of the report



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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