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Worries over US economic outlook keep gold prices steady near record high

Comex gold futures remained stable near \$3,025/ounce Wednesday, as traders adjusted positions ahead of anticipated U.S. tariff announcements. Market concerns persist regarding potential inflationary pressures and economic slowdowns stemming from these policies. Despite this, gold maintained levels above previous lows, supported by safe-haven demand amidst trade policy uncertainty. U.S. consumer confidence plummeted in March, reflecting recession fears and inflation expectations. Trump's indications of impending automobile tariffs and potential exemptions added to market volatility. Q1 2025 saw 155 metric tons of gold-backed ETF inflows, reaching a September 2023 high. Over the first quarter of 2025, gold-backed ETFs have recorded 155 metric tons of net inflows so far, bringing holdings to their highest total since September 2023. Upcoming Federal Reserve speeches are keenly awaited for monetary policy guidance amidst this evolving trade landscape.

WTI crude oil prices rose on Wednesday to trade above \$69.50 per barrel driven an industry report signaled a large decline in US crude stockpiles, while the market weighed the prospect of a Russia-Ukraine ceasefire in the Black Sea. An API report indicated a substantial 4.6 million barrel drop in US crude inventories, potentially the largest since November. This, coupled with US policies restricting Venezuelan and Iranian oil imports, heightened supply concerns. Geopolitical uncertainties also played a role; while a potential Russia-Ukraine Black Sea truce offered a temporary reprieve, its realization hinges on preconditions, including sanctions relief. Meanwhile, ambiguity surrounding US tariffs on Venezuelan oil disrupted trade with China.

LME base metals are trading lower, with copper leading the decline, down nearly 2% to \$9,935/tonne. Market sentiment remains cautious as uncertainty looms over potential U.S. tariffs on copper imports. Reports suggest that the Trump administration may implement these tariffs within weeks, much earlier than anticipated. With the investigation appearing to be a mere formality, traders are bracing for a possible 25% duty, which could disrupt global supply chains. Copper on Comex hit a record high amid these concerns, further fueled by reports of halted shipments from Chile’s Altonorte smelter. The growing price gap between Comex and LME, now at a record \$1,400 per ton, underscores heightened volatility and supply tensions in the copper market.

European natural gas futures headed for a second day of declines, losing more than 2% early Wednesday, driven by robust LNG inflows and mild weather, easing inventory pressures post-winter. Northwest Europe's March LNG imports are projected to surge over 25% y/y, despite recent cargo diversions. Reduced Chinese LNG demand further alleviates competition for European buyers. While winter withdrawals strained reserves, improving supply outlooks and potential future Russian flow resumption, though unlikely in the immediate term, are fostering market optimism. This confluence of factors contributes to the current downward price trend.

Today, investors now focus on Durable goods order and crude oil inventories.

Date	IST	Currency	Data	Forecast	Previous
26-Mar-25	18:00	USD	Core Durable Goods Orders m/m	0.2%	0.0%
	18:00	USD	Durable Goods Orders m/m	-1.1%	3.2%
	20:00	USD	Crude Oil Inventories	1.5M	1.7M

Source: Forex factory

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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