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Gold nears record highs amid trade war jitters, Silver slips on dollar strength

Comex gold futures trading below \$3,040 per ounce on Friday, sustaining near record highs and poised for a third consecutive weekly gain underpinned by the Federal Reserve's dovish stance, signaling two potential rate cuts amidst heightened economic uncertainty. Geopolitical tensions in the Middle East, exacerbated by Israel's expanded Gaza offensive and ongoing US airstrikes in Yemen, further fuel safe-haven demand. Additionally, impending trade concerns stemming from President Trump's April 2nd tariff deadline on nations imposing duties on US goods contribute to market unease. Year-to-date, gold has appreciated by over 15%, witnessed robust performance amidst economic and geopolitical factors.

WTI crude futures extent their rally for a third consecutive day, surpassing \$68 per barrel, poised for its strongest weekly performance since early January driven by sanctions imposed on a Chinese refinery, imposed US sanctions on Iran and OPEC+ production cut strategies. The US Treasury's recent sanctions, targeting a Chinese refinery and vessels facilitating Iranian crude transport, signal a reinforced "maximum pressure" campaign aimed at reducing Iranian oil exports to zero. Analysts anticipate a potential 1 million bpd drop in Iranian crude exports due to these stringent measures. Concurrently, OPEC+ has outlined plans for monthly output reductions ranging from 189,000 to 435,000 bpd for seven members until June 2026. However, it's worth noting that increased production plans from other countries, coupled with reductions by Kazakhstan, Iraq, and Russia, are expected to balance the market through the following year.

LME base metals trade lower, with Aluminium and copper down nearly a percent, as a stronger dollar which has inched above 104-levels following the FOMC left rates unchanged and signaled no imminent rate cuts, coupled with trade war uncertainty weighed on sentiment. Copper, which recently surged to \$10,000/tonne for the first time in five months, is retracing but remains on track for a weekly gain. Market focus remains on potential U.S. tariffs on copper, with President Trump ordering an investigation into import duties, driving Comex copper premiums to a record \$1,259/tonne. Meanwhile, China plans to bolster its strategic reserves of key industrial metals, including copper, cobalt, nickel, and lithium, to enhance supply security amid rising energy-transition demand and geopolitical tensions.

European natural gas futures surged over 4% to €44/MWh, extending gains amid escalating infrastructure attacks in the Russia-Ukraine conflict. Despite de-escalation signals, persistent strikes, including the recent assault on Russia's Sudzha gas metering station, fuel supply disruption fears. This attack, evidenced by satellite imagery showing widespread fires, casts doubt on repair timelines and the resumption of Russian pipeline flows. With reserves at a mere 34% of capacity and a 90% target for November 1, Europe faces a precarious storage replenishment challenge ahead of the next winter heating season. The ongoing geopolitical volatility underscores the fragility of European energy security and the potential for sustained price pressures in the near term.

No major US economic data schedule for today.

Date	IST	Currency	Data	Forecast	Previous
21-Mar-25	18:00	USD	FOMC Member Williams Speaks		

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2987.1	3012.1	3019.9	3032.4	3044.9	3052.6	3077.6
	MCX Gold Apr	87029	87682	87883	88209	88535	88736	89389
	Spot Silver	32.15	32.67	32.83	33.09	33.35	33.51	34.03
	MCX Silver May	95826	97149	97558	98219	98880	99289	100612
	MCX Copper Mar	887.1	893.8	895.9	899.2	902.5	904.6	911.3
	MCX Zinc Mar	268.4	271.2	272.0	273.5	274.9	275.7	278.5
	MCX Lead Mar	175.6	177.0	177.5	178.2	178.9	179.4	180.8
	MCX Aluminium Mar	256.5	258.3	258.9	259.8	260.7	261.3	263.1
	MCX Crude Oil Apr	5710	5796	5822	5865	5908	5934	6020
	MCX Natural Gas Mar	312.26	326.27	330.60	337.60	344.60	348.93	362.94

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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