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Gold climbs as Trump's auto tariffs fuel safe-haven demand, Oil market wavers

Comex gold futures surged 1.1% to above \$3,055 per ounce, driven by heightened geopolitical tensions and tariff uncertainties. President Trump's imposition of a 25% tariff on auto imports fueled safe-haven demand, despite his later indication of "lenient" reciprocal duties. The Federal Reserve's cautious stance, maintaining its projection of two rate cuts while emphasizing the need for continued inflation control, further bolstered gold's appeal. Minneapolis Fed President Kashkari's remarks mirrored Chair Powell's, signaling no immediate rate cuts. Market attention now shifts to the upcoming U.S. personal consumption expenditures data, crucial for gauging future interest rate trajectories.

WTI crude oil retreated below \$69.50, facing resistance near \$70, as market participants weighed the impact of new U.S. auto tariffs. Despite initial gains driven by declining U.S. crude and fuel inventories, and potential tariffs on Venezuelan crude buyers, uncertainty persists. Supply concerns remain a significant factor, stemming from U.S. pressure on Iranian and Venezuelan exports. Traders are closely monitoring the White House's upcoming announcement of reciprocal tariffs, due Wednesday, which could further influence market dynamics. The interplay between inventory drawdowns and geopolitical tensions continues to shape crude oil price movements.

LME base metals are under pressure, with zinc leading the decline, dropping over 1% to \$2,918/tonne. Copper prices have also retraced as traders scramble to ship supplies to the US ahead of impending tariffs, now expected within weeks instead of months. This accelerated timeline has heightened uncertainty and disrupting global trade flows. Adding to the pressure, Trump has signed a proclamation imposing a 25% tariff on auto imports, intensifying the trade war aimed at boosting US manufacturing and setting the stage for broader levies next week. Meanwhile, concerns over reciprocal tariffs and a weakening dollar have added to the cautious sentiment. China's surge in debt issuance further underscores the shifting economic landscape, as authorities prioritize growth amid escalating trade tensions.

European natural gas hovering above €40/MWh, exhibited volatility as the heating season concludes, with traders shifting focus to winter stockpiling. Moreover, mild weather forecasts, potentially easing storage withdrawals and facilitating injections also weighing in prices. The summer-winter contract spread, previously widened by supply concerns, has narrowed, suggesting improved storage refill prospects. While winter prices retain a slight discount, the likelihood of achieving adequate storage levels without market interventions is increasing. This evolving dynamic reflects a transition towards prioritizing winter supply security.

Today, investors now await Q4 GDP data, March pending home sales and Initial Jobless Claims for further economic insights along with natural gas storage figures.

Date	IST	Currency	Data	Forecast	Previous
27-Mar-25	18:00	USD	Final GDP q/q	2.3%	2.3%
	18:00	USD	Unemployment Claims	225K	223K
	18:00	USD	Final GDP Price Index q/q	2.4%	2.4%
	19:30	USD	Pending Home Sales m/m	0.9%	-4.6%
	20:00	USD	Natural Gas Storage	37B	9B

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	3000.9	3024.3	3031.5	3043.3	3055.0	3062.2	3085.6
	MCX Gold Apr	87052	87641	87823	88118	88413	88595	89184
	Spot Silver	33.01	33.46	33.59	33.82	34.04	34.17	34.62
	MCX Silver May	97771	98874	99215	99766	100317	100658	101761
	MCX Copper Apr	888.7	896.8	899.3	903.3	907.3	909.8	917.9
	MCX Zinc Apr	271.0	273.3	274.0	275.2	276.4	277.1	279.4
	MCX Lead Apr	180.3	181.4	181.8	182.4	183.0	183.4	184.5
	MCX Aluminium Apr	248.4	250.4	251.0	252.1	253.1	253.7	255.7
	MCX Crude Oil Apr	5831	5908	5931	5970	6009	6032	6109
	MCX Natural Gas Apr	302.09	313.54	317.08	322.80	328.52	332.06	343.51

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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