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Gold prices climb amidst weaker dollar, trade uncertainty

Comex gold futures today rising over 0.50% to trade above \$2,915 per ounce, after a sharp decline in the previous session. Today’s gain is mostly driven by weaker dollar made gold more attractive for overseas buyers, while renewed trade war fears, fueled by tariff threats, bolstered safe-haven demand. The previous administration reiterated its stance on tariffs, stating levies on automobiles could be implemented soon. Geopolitical uncertainty persists, with ongoing Russia-Ukraine peace talks potentially impacting gold's gains. US Secretary of State Marco Rubio emphasized Ukraine and Europe's involvement in any peace negotiations. Despite potential fluctuations from peace talk developments, gold prices remain supported. Market participants await insights from Federal Reserve officials regarding future US interest rate policies, although the US market is closed for the President's Day holiday.

WTI crude oil futures stabilized after reaching a 2025 low of \$70.12 per barrel due to potential increases in supply from Iraq and Russia are weighing on the market, raising concerns about oversupply. The president of Iraqi Kurdistan indicated that oil exports, halted for nearly two years, could resume next month. Additionally, reports suggest that Russia-Ukraine peace talks may occur in Saudi Arabia this week. A potential resolution could lead to increased Russian oil supply if sanctions are eased. However, rising fuel demand and a delay in U.S. reciprocal tariffs are providing some support to prices, mitigating downside pressure. The market remains sensitive to geopolitical developments and supply-side factors, with traders closely monitoring these events for potential price impacts.

LME Copper futures falling for the second successive session to trade near \$9400 on Monday, primarily driven by easing concerns about potential US tariffs on copper imports. The drop is nearly 3% reduction over two sessions from its previous session high. The Copper had previously reached an eight-month high last week due to fears of a temporary tightness in the US copper market, causing the spread between CME and LME contracts to widen by over 10%. However, recent indications suggest that tariffs on copper might be implemented later than the recently announced tariffs on aluminum and steel, alleviating immediate market anxieties. Concurrently, Chinese authorities have mandated restrictions on copper smelting to address excess capacity within the industry. This overproduction has resulted in increased copper imports and declining inventories, although smelting firms are reportedly facing profitability challenges

European natural gas prices have retreated to a three-week low, hovering around €50 per megawatt-hour, follows a sharp surge and subsequent fall from a two-year high last week, effectively erasing most of the year's gains. The initial price rally was fueled by concerns over dwindling gas reserves due to a cold snap and increased withdrawals. This raised fears about Europe's ability to replenish its stockpiles for the summer. However, the market sentiment has eased following discussions within the EU about potentially relaxing storage requirements. Contributing to the downward pressure on prices are a surge in liquefied natural gas imports and forecasts of milder weather in the coming days. These factors are helping to slow down the depletion of gas reserves and alleviate concerns about potential shortages.

Today, there are no important data released from the US.

Date	IST	Currency	Data	Forecast	Previous
17-Feb-25			No major data – Presidents day holiday in the US		

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2844.7	2876.9	2886.9	2903.0	2919.1	2929.1	2961.3
	MCX Gold Apr	83740	84537	84783	85181	85579	85825	86622
	Spot Silver	31.36	31.97	32.15	32.46	32.76	32.95	33.56
	MCX Silver Mar	93401	94724	95133	95794	96455	96864	98187
	MCX Copper Feb	849.5	857.9	860.5	864.8	869.0	871.6	880.0
	MCX Zinc Feb	262.1	264.9	265.8	267.2	268.6	269.5	272.3
	MCX Lead Feb	178.4	179.4	179.8	180.3	180.8	181.2	182.2
	MCX Aluminium Feb	253.8	256.0	256.6	257.8	258.9	259.5	261.7
	MCX Crude Oil Feb	6009	6094	6121	6163	6205	6232	6317
	MCX Natural Gas Feb	298.57	308.26	311.25	316.10	320.95	323.94	333.63

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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