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Gold retreat as investors await key US Economic data, Crude oil falls on inventory expectations

Comex gold futures trading lower on Wednesday near \$2,910 per ounce, retreating further from the all-time high set in the previous session mainly triggered by Federal Reserve Chair Jerome Powell's hawkish remarks, which reinforced expectations of slower rate cuts this year. Investors are now focused on the upcoming U.S. inflation report. Powell's statement that officials will be "patient" before easing monetary policy led to a rise in 10-year US Treasury yields, putting downward pressure on gold prices as the precious metal doesn't generate interest income. However, ongoing safe-haven demand, fueled by escalating trade tensions due to new tariffs, and dovish stances from other major central banks continue to support gold's upside potential. Additional factors contributing to gold's appeal include sustained central bank gold purchases and heightened geopolitical risks, particularly after Israel issued a warning regarding the Gaza ceasefire.

WTI crude oil prices fell below \$73.50 per barrel following an American Petroleum Institute report indicating a substantial 9 million barrel increase in US crude stockpiles. This potential year-high inventory surge, if confirmed by official EIA data later this evening will further weigh on market sentiment. Traders are also monitoring official figures for a potential rise in Canadian crude flows to the US, especially after recent tariff threats. Additionally, US sanctions appear to be disrupting Russian crude exports, leaving Pacific platform crude stranded and forcing lower prices for ESPO grade crude offered to Chinese refiners.

LME base metals are trading mixed as Copper, Zinc, and Lead are positive but Aluminium is trading negative. China has tightened requirements for building new copper smelters, in its latest attempt to curb relentless capacity expansion in the world's top producer of the refined metal. This move aims to curb capacity expansion in the world's top refined copper producer. LME Aluminium is down by more than 1% as investors assess the impact of US tariffs on imports. The US will impose a 25% levy on aluminum and steel imports from March 12th, potentially disrupting global trade in these metals. This situation is causing uncertainty in the aluminum market.

European natural gas futures fell about 3.4% today after hitting a two-year high, as traders weighed the potential impact of a price cap proposed by some EU officials. The measure faces resistance from most member states and major energy producers, who warn against its implementation. There are concerns over supply due to lower-than-average inventories and increased consumption during the cold winter, which could hinder efforts to replenish stocks in the summer.

U.S. consumer price index data will be released later today, with expectations of a slight slowdown in January's core inflation print to an annual 3.1%. The headline number is anticipated to hold steady at 2.9%.

Date	IST	Currency	Data	Forecast	Previous
12-Feb-25	19:00	USD	Core CPI m/m	0.3%	0.2%
	19:00	USD	CPI m/m	0.3%	0.4%
	19:00	USD	CPI y/y	2.9%	2.9%
	20:30	USD	Fed Chair Powell Testifies		
	21:00	USD	Crude Oil Inventories	2.4M	8.7M

Source: Forex factory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2832.6	2862.6	2871.8	2886.8	2901.8	2911.0	2940.9
	MCX Gold Apr	83667	84464	84710	85108	85506	85752	86549
	Spot Silver	30.75	31.29	31.46	31.73	32.00	32.17	32.71
	MCX Silver Mar	92084	93243	93601	94180	94759	95117	96276
	MCX Copper Feb	842.0	849.8	852.2	856.1	860.0	862.4	870.2
	MCX Zinc Feb	263.3	266.3	267.2	268.8	270.3	271.2	274.2
	MCX Lead Feb	176.8	177.9	178.3	178.9	179.5	179.9	181.0
	MCX Aluminium Feb	252.6	255.2	256.0	257.3	258.6	259.4	262.0
	MCX Crude Oil Feb	6160	6249	6276	6320	6364	6391	6480
	MCX Natural Gas Feb	288.73	297.17	299.78	304.00	308.22	310.83	319.27

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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