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Gold and silver continued to push higher at the start of the year, building on their strong performance from the previous year.

Gold began 2026 on a firm footing, rising toward \$4,380/oz and extending what has already been its strongest annual performance in over four decades. The metal surged nearly 65% in 2025, with momentum accelerating after sweeping U.S. trade tariffs heightened macro uncertainty. Support remains anchored in persistent geopolitical risks, expectations of lower borrowing costs, steady central-bank purchases, and renewed inflows into gold-backed ETFs. Minutes from the Federal Reserve’s December meeting reinforced this backdrop, showing policymakers increasingly open to easing if inflation continues to cool. Safe-haven demand has also been underpinned by renewed Russia–Ukraine strikes and tighter U.S. enforcement on Venezuela’s oil trade, keeping gold’s near-term bias constructive despite elevated volatility.

Crude oil prices eased in early 2026, with WTI slipping toward \$57/bbl after briefly holding above \$58 following its steepest annual decline since 2020. While renewed Russia–Ukraine strikes on Black Sea energy infrastructure and tighter U.S. enforcement on Venezuelan oil exports offered near-term support, broader sentiment remains cautious. Markets are now focused on the upcoming OPEC+ meeting, where producers are widely expected to maintain the pause on output increases in Q1. Supply-side disruptions, including weather-related suspensions at Kazakhstan’s Black Sea export terminal, add to near-term uncertainty. However, uneven demand and last year’s sharp price correction continue to cap upside, even as geopolitical risks and potential stockpiling by China provide a tentative floor.

Base metals started 2026 on a firm footing, led by aluminium, which climbed above \$3,000/ton for the first time in over three years amid tightening supply and resilient demand expectations. Caps on Chinese smelting capacity and elevated power costs in Europe have steadily eroded inventories, while construction and renewable-linked demand remain supportive. Copper also carried forward momentum from a stellar 2025, when prices surged more than 40% to record highs, driven by supply disruptions and strong demand from AI and energy-transition sectors. A softer U.S. dollar has also further underpinned sentiment. On the supply side, renewed risks emerged after Capstone Copper confirmed strike action at its Mantoverde mine, with output expected to operate well below normal levels.

Natural gas markets showed a sharp regional divergence at the start of the year. U.S. futures slid to their lowest close in over two months, pressured by warmer early-January weather forecasts and a storage withdrawal that fell short of both expectations and the five-year average. The combination reinforced near-term demand concerns and weighed on sentiment. In contrast, European gas prices edged higher as persistent cold conditions across the region lifted heating demand. While forecasts point to milder Atlantic air later this month, prices remain largely range-bound, with steady supply balancing seasonal consumption. A pickup in LNG inflows this week has added to supply resilience, limiting upside despite colder weather.

Date	IST	Currency	Data	Forecast	Previous
02-Jan-2026	20:15	USD	Final Manufacturing PMI	51.8	51.8

Source: Forexfactory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	4256.0	4328.6	4351.1	4387.4	4423.7	4446.2	4518.8
	MCX Gold Feb	134073	135588	136056	136813	137570	138038	139553
	Spot Silver	68.26	71.71	72.78	74.51	76.23	77.30	80.75
	MCX Silver Mar	226084	236169	239285	244327	249369	252485	262570
	MCX Copper Jan	1226.6	1271.2	1285.0	1307.3	1329.5	1343.3	1387.9
	MCX Zinc Jan	302.5	306.6	307.8	309.9	312.0	313.2	317.3
	MCX Lead Jan	181.4	182.2	182.5	182.9	183.3	183.6	184.4
	MCX Aluminium Jan	293.4	298.8	300.5	303.3	306.0	307.7	313.1
	MCX Crude Oil Jan	5070	5129	5147	5177	5207	5225	5284
	MCX Natural Gas Jan	300.89	315.10	319.49	326.60	333.71	338.10	352.31

Source: Bloomberg, KS Commodity Research

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BUY	We expect the commodity to deliver 1% or more returns
SELL	We expect the commodity to deliver (-1%) or more returns
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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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