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Gold steadies on Middle East truce, rate cut hopes; Crude oil rebounds amid ceasefire and US inventory drop

Comex Gold August futures are trading slightly positive around \$3,340 per ounce, recovering from a two-week low. The Israel-Iran truce largely holds, reducing safe-haven demand despite initial breaches. Meanwhile, an unexpected decline in US consumer confidence in June, likely due to tariff anxieties, hints at potential Fed rate cuts. While Chair Jerome Powell reiterated a cautious approach, he didn't rule out a July cut, which typically benefits non-interest-bearing bullion. Geopolitical stability in the Middle East and the Fed's monetary policy stance remain key drivers for gold prices, though a recent US intelligence report suggests limited impact from strikes on Iran's nuclear program.

WTI crude oil trades above \$65 per barrel, recovering from a nearly 13% two-day plunge, the sharpest since 2022. This rebound follows a critical ceasefire between Israel and Iran, brokered by US President Trump, significantly de-risking regional supply concerns. The dust is beginning to settle in a global oil market that has been on a wild ride this week, marked by the biggest daily price swing in almost three years. Further supporting market calm, President Trump has endorsed China's continued import of Iranian crude, seemingly easing prior US sanctions. While this move reinforces the truce, a preliminary US intelligence report suggests recent strikes only briefly delayed Iran's nuclear program, maintaining some underlying caution. Fundamentally, US crude inventories fell by 4.28 million barrels last week—far exceeding expectations—marking the fourth consecutive weekly decline and indicating tightening domestic supply.

LME base metals traded mixed on Wednesday, with copper and zinc inching higher while aluminium slipped. Copper extended the marginal gains from previous session and is trading near \$9,695.50/ton, supported by a weaker dollar and reduced geopolitical tensions amid a tentative Iran-Israel ceasefire. Although Fed Chair Powell ruled out a July rate cut and maintained a firm stance on inflation, the dollar softened, lending support to metals. The extreme supply squeeze in copper has slightly eased, as reflected in a narrower cash-to-three-month premium, but inventories on the LME remain tight, down nearly 60% this year, driven by record US bound shipments and increased Chinese smelter exports.

US natural gas futures are currently trading lower for the fourth consecutive session, nearing \$3.524/MMBtu, a notable retreat from last week's 11-week high of \$4.09 due to increasing domestic production and anticipated moderation of the recent heatwave. LSEG data indicates average gas output in the Lower 48 states rose to 105.5 bcfd in June, up from 105.2 bcfd in May, though still below March's peak. Concurrently, gas flows to major US LNG export facilities decreased to 14.1 bcfd in June from 15.0 bcfd in May, largely due to seasonal maintenance. Additionally, easing geopolitical tensions in the Middle East, stemming from a tentative Israel-Iran ceasefire, are contributing to a cautious market sentiment.

Today, traders will remain focused on Fed Chair Powell's testimony and the upcoming US new home data.

Date	IST	Currency	Data	Forecast	Previous
25-Jun-2025	19:30	USD	Fed Chair Powell Testifies		
	19:30	USD	New Home Sales	694K	743K
	20:00	USD	Crude Oil Inventories	-1.2M	-11.5M

Source: Forexfactory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	3261.5	3296.5	3307.3	3324.8	3342.3	3353.1	3388.1
	MCX Gold Aug	95428	96431	96741	97243	97745	98055	99058
	Spot Silver	34.78	35.31	35.48	35.74	36.01	36.17	36.71
	MCX Silver Jul	102368	103737	104160	104845	105530	105953	107322
	MCX Copper Jun	866.7	872.1	873.7	876.5	879.2	880.8	886.2
	MCX Zinc Jun	251.2	253.2	253.8	254.9	255.9	256.5	258.5
	MCX Lead Jun	176.5	177.6	178.0	178.6	179.2	179.6	180.7
	MCX Aluminium Jun	240.6	243.1	243.8	245.0	246.2	246.9	249.4
	MCX Crude Oil Jul	5220	5443	5512	5624	5736	5805	6028
	MCX Natural Gas Jun	283.00	294.17	297.62	303.20	308.78	312.23	323.40

Source: Bloomberg, KS Commodity Research

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MCX Crude oil Jul 25					
S2	S1	Pivot	R1	R2	BEARISH
5570.0	5597.0	5626.0	5653.0	5682.0	TRADING RANGE : 5430 - 5700



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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