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### Gold dips as dollar strength outweighs geopolitical tensions, FOMC meeting in focus

Comex Gold futures are holding below \$3,400 per ounce, as dollar strengthen with market attention focused on escalating Middle East tensions as Trump's call for Iran's unconditional surrender and discussions of potential strikes against Khamenei have heightened fears of direct US involvement in the conflict, which could significantly affect gold prices. While recent tepid US retail sales, housing, and industrial output data generally support Fed rate cuts this year, a broader Middle East conflict would likely be inflationary, potentially reducing the likelihood of monetary easing. The Fed maintaining stable interest rates to guide inflation towards its 2% target, while also striving for maximum employment. Lower rates could stimulate the economy and employment, but risk reigniting inflation.

WTI crude oil is trading near \$73 a barrel, down 0.5% today as market participants monitor shipping flows through the Strait of Hormuz. Despite concerns over potential disruptions to the quarter of global crude shipments passing through the strait, and to Iranian supplies, early data from TankerTrackers.com Inc. indicates a significant increase in Iranian exports since recent attacks began, with no major interruption to Hormuz traffic. Geopolitical tensions are escalating, with Trump demanding Iran's "UNCONDITIONAL SURRENDER" and warning of potential strikes. The U.S. is deploying additional military assets, including the USS Nimitz carrier group, to the region. Additionally, Middle East to China crude shipping costs have risen over 50%.

LME base metals are trading mixed, with copper holding firm at \$9691/ton, while aluminium and zinc edge lower. Despite the dip, aluminium briefly touched its highest level since Q2 began, supported by concerns over bauxite supply disruptions in Guinea and optimism around resilient manufacturing demand. Copper continues to gain ground amid a sharp drop in LME inventories, down nearly 60% YTD, fueling fears of a near-term supply squeeze. The widening spread between copper's spot and 3-month contracts reflects this tightness. Aluminium, too, is facing a potential short squeeze, with inventories down 45% this year.

European natural gas prices have risen for a sixth consecutive day exceeding €40 per megawatt-hour for the first time since early April driven by heightened concerns over shipping through the Strait of Hormuz due to the Israel-Iran conflict. Market anxieties stem from potential disruptions to tanker traffic in the Strait, a critical energy conduit. Qatar has advised LNG vessels to await loading outside the strait amidst the escalating tensions, as approximately 20% of global LNG trade traverses this chokepoint.

Today, Investors attention now on upcoming Fed policy decision, alongside the release of US unemployment claims, Crude oil inventories, and Natural gas storage.

Date	IST	Currency	Data	Forecast	Previous
18-Jun-2025	18:00	USD	Unemployment Claims	246K	248K
	20:00	USD	Crude Oil Inventories	-2.3M	-3.6M
	21:30	USD	Natural Gas Storage	96B	109B
	23:30	USD	Federal Funds Rate	4.50%	4.50%
	23:30	USD	FOMC Economic Projections		
	23:30	USD	FOMC Statement		

Source: Forexfactory

# Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	3308.7	3347.8	3359.9	3379.4	3399.0	3411.0	3450.1
	MCX Gold Aug	97561	98605	98928	99450	99972	100295	101339
	Spot Silver	36.23	36.77	36.94	37.21	37.48	37.65	38.19
	MCX Silver Jul	107090	108448	108868	109547	110226	110646	112004
	MCX Copper Jun	872.4	878.1	879.9	882.7	885.5	887.3	893.0
	MCX Zinc Jun	248.3	250.6	251.4	252.5	253.6	254.4	256.7
	MCX Lead Jun	177.1	177.9	178.1	178.5	178.9	179.1	179.9
	MCX Aluminium Jun	240.8	243.0	243.7	244.9	246.0	246.7	248.9
	MCX Crude Oil Jul	5949	6132	6189	6280	6371	6428	6611
	MCX Natural Gas Jun	314.17	323.53	326.42	331.10	335.78	338.67	348.03

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



Source: Trading View

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<b>BUY</b>	We expect the commodity to deliver 1% or more returns
<b>SELL</b>	We expect the commodity to deliver (-1%) or more returns
<b>SIDEWAYS</b>	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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