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Gold surge towards record highs as geopolitical tensions escalate, Crude oil climb on china stimulus, Houthi strikes

Comex gold futures trading above \$3,000/oz on Monday, driven by robust safe-haven demand amidst escalating geopolitical tensions. Continued U.S. strikes against Yemen's Houthis, coupled with reported Russian interceptions of Ukrainian UAVs, heightened market uncertainty. U.S. Treasury Secretary Scott Bessent's recessionary concerns further fueled gold's appeal. Investors are keenly awaiting U.S. retail sales and manufacturing data, but the Federal Open Market Committee (FOMC) decision looms, poised to significantly impact USD and gold's trajectory. These factors collectively underscore gold's resilience, reinforcing its status as a reliable hedge against geopolitical and economic volatility.

WTI crude oil climbed above \$67.80/barrel, driven by China's stimulus plans and escalating Red Sea tensions. Beijing announced measures to bolster consumption, including wage increases and incentives for childbirth, alongside robust early-year economic data. Concurrently, the US intensified attacks on Houthi targets in Yemen, responding to renewed threats against Red Sea shipping. These factors, indicating potential demand growth and supply chain disruptions, supported price gains. However, concerns regarding escalating trade tensions and anticipated OPEC+ output increases tempered further upward movement, highlighting potential market oversupply.

LME base metals traded mixed, with copper and Aluminium posting modest gains while zinc retreated. Copper prices found support as China introduced new policies to boost domestic consumption, reinforcing demand expectations. Additionally, Chile's Codelco warned of lower production due to maintenance work, adding to supply concerns. The red metal neared a 5-month high, further buoyed by a weaker dollar. Meanwhile, growing speculation that the U.S. may impose tariffs on copper imports heightened market uncertainty, as the country relies heavily on foreign supply. Despite these factors, overall gains were capped by persistent trade tensions and policy risks.

European natural gas futures experienced a decline, fluctuating between €41 and €42 per megawatt-hour, driven by optimistic market signals. Warmer weather forecasts alleviated immediate demand concerns, contributing to this downward pressure. Furthermore, planned discussions between US President Trump and Russian President Putin fostered speculation regarding potential improvements in Europe's supply balance. Notably, the prospect of resumed Russian pipeline flows, following winter reserve depletion, gained traction. While President Putin has hinted at reinstating fuel shipments, the logistical complexities of actual implementation present a significant caveat.

Today, investors will focus on monthly Retail Sales figures and the Empire State Manufacturing Index.

Date	IST	Currency	Data	Forecast	Previous
17-Mar-25	18:00	USD	Core Retail Sales m/m	0.3%	-0.4%
	18:00	USD	Retail Sales m/m	0.6%	-0.9%
	18:00	USD	Empire State Manufacturing Index	-1.9	5.7
	19:30	USD	Business Inventories m/m	0.3%	-0.2%

Source: Forex factory 19:30

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2948.3	2974.8	2983.0	2996.3	3009.6	3017.8	3044.3
	MCX Gold Apr	86908	87517	87705	88009	88313	88501	89110
	Spot Silver	32.90	33.40	33.56	33.81	34.06	34.21	34.72
	MCX Silver May	98421	99636	100011	100619	101227	101602	102817
	MCX Copper Mar	887.5	894.9	897.1	900.8	904.5	906.7	914.1
	MCX Zinc Mar	275.8	278.6	279.4	280.9	282.3	283.1	285.9
	MCX Lead Mar	181.6	182.7	183.0	183.6	184.1	184.4	185.5
	MCX Aluminium Mar	262.1	263.9	264.4	265.4	266.3	266.8	268.6
	MCX Crude Oil Mar	5729	5817	5844	5888	5932	5959	6047
	MCX Natural Gas Mar	332.98	348.63	353.47	361.30	369.13	373.97	389.62

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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