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Gold hits fresh all-time high amid geopolitical and economic worries, Focus shifts to FOMC meeting

Comex gold futures surged to a record \$3,037.60/oz, surpassing Friday's peak, fueled by a weakening USD and heightened Middle East tensions. The dollar's decline stems from soft U.S. economic data, growth concerns, and rising public debt. Israel's intensified Gaza attacks, resulting in significant Palestinian casualties, escalated geopolitical risks, driving safe-haven demand for gold. Concurrently, trade conflicts exacerbated by U.S. tariffs further bolstered gold's appeal. Hamas's response, citing Israel's "aggression" and the uncertain fate of hostages, deepened the crisis. Investors now await the FOMC meeting, Fed's economic projections and Powell's commentary for insights on future policy amid these complex conditions.

WTI crude surged above \$68.20/barrel, driven by Middle East tensions and China's economic stimulus. US airstrikes against Yemen's Houthis and renewed Israeli-Gaza conflict heightened geopolitical risk. Elsewhere, US President Donald Trump said he would view attacks by Yemen's Houthis on shipping as equivalent to direct affronts by Iran. China's consumption boost plan and improved retail sales, coupled with increased crude throughput, supported demand. However, OECD warnings on tariff impacts and Venezuela's continued production plans added supply-side pressures. Potential Russian sanction easing, impacting global supply, while reports that OPEC+ are set to raise production from April may weigh on prices at higher levels.

LME base metals traded mixed, with copper holding marginal gains while zinc fell over 1%. Copper prices hover near five-month highs, supported by China's latest stimulus measures aimed at boosting consumption and offsetting trade war concerns. Strong retail sales data and government efforts to spur income growth reinforced optimism for demand. However, weakness in China's property sector remains a concern. On the supply front, Freeport Indonesia received a permit to export 1.27 million metric tons of copper concentrate, easing some supply constraints. Meanwhile, expectations of potential U.S. tariffs on copper imports added further market uncertainty.

European natural gas futures remained volatile, trading around €41/MWh, as markets closely tracked diplomatic efforts to resolve the Ukraine conflict. A potential 30-day ceasefire, discussed by Presidents Putin and Trump, is pivotal for Europe's supply outlook. Market sentiment is driven by the prospect of renewed Russian gas flows, crucial for replenishing depleted storage levels, which are at their lowest since 2022. However, uncertainty prevails regarding the terms of any potential truce and the feasibility of resuming Russian gas imports. While Putin has signaled a willingness for a truce, stringent conditions and lingering geopolitical tensions create market anxiety. The outcome of the presidential call is expected to be a major market driver.

Today, investors will focus on building permits, housing starts and Industrial production data.

Date	IST	Currency	Data	Forecast	Previous
18-Mar-25	18:00	USD	Building Permits	1.45M	1.47M
	18:00	USD	Housing Starts	1.38M	1.37M
	18:00	USD	Import Prices m/m	-0.1%	0.3%
	18:45	USD	Industrial Production m/m	0.2%	0.5%

Source: Forex factory 19:30

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	2973.0	2999.4	3007.5	3020.6	3033.8	3041.9	3068.2
	MCX Gold Apr	87407	88011	88198	88500	88802	88989	89593
	Spot Silver	33.19	33.68	33.83	34.07	34.32	34.47	34.96
	MCX Silver May	99268	100458	100826	101421	102016	102384	103574
	MCX Copper Mar	891.0	898.3	900.6	904.2	907.8	910.1	917.4
	MCX Zinc Mar	270.2	273.1	274.0	275.5	277.0	277.9	280.8
	MCX Lead Mar	180.9	182.1	182.4	183.0	183.5	183.8	185.0
	MCX Aluminium Mar	260.0	261.8	262.4	263.3	264.1	264.7	266.5
	MCX Crude Oil Mar	5775	5859	5886	5928	5970	5997	6081
	MCX Natural Gas Mar	317.32	332.18	336.77	344.20	351.63	356.22	371.08

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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