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# Heating demand lifts natural gas futures to 7-month peak; Gold steadies near $4,000 while Crude oil softens on oversupply concerns

Spot gold prices traded steady near $4,000 per ounce on Monday, supported by safe-haven interest even as a stronger dollar and fading expectations for further Federal Reserve rate cuts limited upside momentum. The U.S. central bank lowered rates by 25 basis points on October 29 for the second time this year, but Chair Jerome Powell's hawkish comments tempered hopes of additional easing, with markets now pricing in a 71% chance of another cut in December—down from over 90% earlier, according to CME's FedWatch Tool. On the trade front, the recent Trump–Xi summit resulted in an extension of the tariff truce and partial easing of export restrictions, improving overall sentiment. However, China's decision to end a long-standing tax rebate on gold sales could weigh on physical demand. Going forward, gold is expected to remain range-bound near $4,000, with direction driven by U.S. economic data and Fed policy cues.

WTI crude oil prices rose to a high of $61.50 per barrel on Monday after OPEC+ decided to pause production hikes through the first quarter of next year, easing concerns of an oversupplied market. The alliance maintained its modest 137,000 bpd output increase for December while eight key members agreed to defer additional hikes until April 2026, citing seasonal demand weakness. Uncertainty also lingers over potential supply disruptions following new U.S. sanctions on Russia's top oil firms, with markets closely monitoring flows after the November 21 wind-down deadline. However, gains were capped as weak factory data from Asia highlighted subdued demand prospects. Meanwhile, U.S. output hit a record 13.8 million bpd in August, adding to global supply pressures. Crude Oil prices are expected to remain range-bound in the near term as balanced OPEC+ supply management and geopolitical risks offset weak demand fundamentals.

LME base metals are trading mixed, with aluminium and zinc up around 1%, while copper remains flat amid renewed demand concerns. Copper sentiment weakened after China's private manufacturing PMI fell to 50.6 in October, missing expectations and reinforcing signs of slowing factory activity, as also reflected in the official PMI, which stayed in contraction for a seventh straight month. A stronger U.S. dollar and hawkish comments from Federal Reserve Chair Jerome Powell, who pushed back on expectations for a December rate cut, further pressured metals. Copper demand signals also softened, with the Yangshan premium slipping to $36/ton from $50 a month ago. Meanwhile, aluminium prices continued their upward momentum, heading toward their highest level since May 2022, supported by easing U.S.-China tensions and supply constraints as Chinese output approaches state-imposed capacity limits. However, lingering concerns over weakening economic momentum in China continue to cap broader gains.

U.S. natural gas December futures surged above $4.26 per MMBtu, marking their highest level in over seven months, driven by expectations of stronger heating demand and robust LNG exports. Colder weather forecasts across key U.S. regions have boosted consumption outlooks, while LNG flows to the eight major export terminals averaged a record 16.6 bcfd in October, up from 15.7 bcfd a month earlier. Demand from Europe and Asia remained firm amid reduced Russian gas supplies and low regional inventories. However, domestic output stayed high at around 107 bcfd, and U.S. storage rose by 74 bcf for the week ending October 27th, exceeding forecasts. Fundamental outlook: prices may stay supported in the near term, underpinned by winter demand and strong export momentum.

| Date | IST | Currency | Data | Forecast | Previous |
|---|---|---|---|---|---|
| 03-Nov-2025 | 20:15 | USD | Final Manufacturing PMI | 52.2 | 52.2 |
| | 20:30 | USD | ISM Manufacturing PMI | 49.4 | 49.1 |
| | 20:30 | USD | ISM Manufacturing Prices | 62.4 | 61.9 |

Source: Forexfactory

| | Commodity | Support 3 | Support 2 | Support 1 | LTP | Resistance 1 | Resistance 2 | Resistance 3 |
|---|---|---|---|---|---|---|---|---|
| Commodities | Spot Gold | 3850.8 | 3933.2 | 3958.6 | 3999.8 | 4041.0 | 4066.5 | 4148.8 |
| | MCX Gold Dec | 117723 | 119728 | 120347 | 121350 | 122353 | 122972 | 124977 |
| | Spot Silver | 46.39 | 47.63 | 48.02 | 48.64 | 49.26 | 49.64 | 50.88 |
| | MCX Silver Dec | 142522 | 145829 | 146851 | 148504 | 150157 | 151179 | 154486 |
| | MCX Copper Nov | 995.0 | 1003.9 | 1006.7 | 1011.2 | 1015.6 | 1018.4 | 1027.3 |
| | MCX Zinc Nov | 297.8 | 300.7 | 301.5 | 303.0 | 304.5 | 305.3 | 308.2 |
| | MCX Lead Nov | 182.1 | 182.8 | 183.1 | 183.5 | 183.8 | 184.1 | 184.8 |
| | MCX Aluminium Nov | 270.2 | 272.5 | 273.1 | 274.3 | 275.4 | 276.0 | 278.3 |
| | MCX Nickel Nov | 1286.3 | 1297.7 | 1301.3 | 1307.0 | 1312.7 | 1316.3 | 1327.7 |
| | MCX Crude Oil Nov | 5263 | 5352 | 5380 | 5424 | 5468 | 5496 | 5585 |
| | MCX Natural Gas Nov | 358.78 | 369.85 | 373.27 | 378.80 | 384.33 | 387.75 | 398.82 |

*Source:Bloomberg, KS Commodity Research* *Please See Disclosure/Disclaimer at end of the report*

| MCX Natural Gas Nov 25 | | | | | |
|---|---|---|---|---|---|
| **S2** | **S1** | **Pivot** | **R1** | **R2** | **BULLISH** |
| **356.1** | **367.5** | **374.7** | **386.1** | **393.3** | **TRADING RANGE : 373 - 389** |


Chart 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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