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Gold retreats from record highs on profit-taking, traders eye key US jobs data impact, WTI Crude extends losses as OPEC+ supply concerns

Spot Gold retreated from record highs, slipping below \$3,515 before rebounding above \$3,540 per ounce, as traders booked profits after a seven-day rally. The surge, driven by expectations of imminent Federal Reserve rate cuts and safe-haven demand, had pushed bullion to an all-time peak of \$3,578.51. Thursday's pullback of up to 1.3% reflected tactical de-risking, with technical showing overbought conditions after a nearly 6% advance. Investors now await Friday's key US payrolls data, which could confirm or challenge market bets on policy easing in September. Despite the correction, the longer-term bullish outlook for gold remains underpinned by anticipated Fed cuts, robust central bank buying, and concerns over Fed independence. Gold has gained more than one-third this year, cementing its position as one of 2025's top-performing commodities.

WTI crude prices declined by 1% to trade near \$63.20 per barrel on concerns that OPEC+ may raise supply at its upcoming Sunday meeting, heightening expectations of increased volumes later this year. Brent futures fell as much as 1.4% before trimming losses, with Russia's Deputy Prime Minister Alexander Novak noting the group will assess the "current situation as a whole." Saudi Arabia and its allies have yet to finalize their stance. Prices slumped Wednesday following reports of possible fresh output hikes. In the US, Cushing stockpiles reportedly rose 2.1 million barrels last week, the largest gain since March, pending confirmation from official data. Brent has fallen nearly 10% this year as OPEC+ rapidly rolled back earlier production cuts to regain market share, while non-OPEC supply growth and demand concerns, fueled by US tariffs, have reinforced forecasts of a mounting global surplus.

Base metals traded mixed on the LME, with aluminium and zinc leading the decline, both slipping nearly 1%, while on the MCX, metals too edged lower, with copper holding near ₹901/kg. Copper prices pulled back as a stronger dollar and profit-taking weighed on sentiment ahead of the crucial US jobs report, which is likely to guide the Fed's policy outlook. Adding to the pressure, demand concerns from China persisted, with factory activity contracting for a fifth consecutive month and the peak consumption season showing little momentum. On the supply side, however, some support emerged as tax changes curbed scrap availability, potentially leading to China's first monthly drop in refined copper output since 2016. At the same time, rising LME inventories, up nearly 75% since June, highlighted softer demand outside China, while a producer's decision to delay expansion plans in Chile until operations at its mine stabilize underscored ongoing supply risks.

European natural gas prices remain near year-to-date lows as traders' position for potential winter supply risks. October benchmark futures are trading in a narrow range after hitting an August low, while options data show a surge in bets on prices exceeding €100/MWh in December, levels last seen in 2022. This reflects conviction that supply conditions may tighten. Europe is accelerating storage injections ahead of the heating season, with reserves about 80% full. Although muted industrial demand, mild weather, and weak overseas competition have aided stockpiling, inventories remain below seasonal norms, raising caution that cold spells in Asia could strain balances.

Date	IST	Currency		Forecast	Previous
04-Sep-2025	17:45	USD	ADP Non-Farm Employment Change	7.38M	7.44
	18:00	USD	Unemployment Claims	230K	229K
	19:30	USD	ISM Services PMI	50.9	50.1
	20:00	USD	Natural Gas Storage	54B	18B
	21:30	USD	Crude Oil Inventories	-2.0M	-2.4M

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	3473.6	3510.1	3521.4	3539.6	3557.9	3569.2	3605.7
	MCX Gold Oct	104601	105595	105902	106399	106896	107203	108197
	Spot Silver	39.83	40.45	40.65	40.96	41.27	41.46	42.09
	MCX Silver Dec	121741	123477	124013	124881	125749	126285	128021
	MCX Copper Sep	889.3	895.8	897.8	901.0	904.2	906.2	912.7
	MCX Zinc Sep	268.7	271.2	271.9	273.2	274.4	275.1	277.6
	MCX Lead Sep	180.3	181.1	181.3	181.7	182.0	182.2	183.0
	MCX Aluminium Sep	250.9	252.5	253.0	253.9	254.7	255.2	256.8
	MCX Nickel Sep	1314.7	1329.8	1334.4	1342.0	1349.6	1354.2	1369.3
	MCX Crude Oil Sep	5437	5518	5543	5584	5625	5650	5731
	MCX Natural Gas Sep	258.63	266.13	268.45	272.20	275.95	278.27	285.77
	MCX Electricity Sep	3456.17	3629.11	3682.53	3769.00	3855.47	3908.89	4081.83

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



Evening Track

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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