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Riteshkumar Sahu, Saish Sawant Dessai, Abhijit Chavan

Gold , Silver retreats on tariff pause but posts strong weekly advance, Crude oil finds footing post selloff as market evaluates supply risks

Spot gold edged lower toward the \$4,600/oz area, pressured by a firmer U.S. dollar and resilient U.S. macro data that tempered expectations for near-term monetary easing. A sharper-than-expected decline in weekly jobless claims reinforced confidence in U.S. labor market conditions, prompting markets to reassess the timing of Federal Reserve rate cuts, now largely deferred to the second half of the year. At the same time, a temporary easing of geopolitical stress around Iran reduced immediate safe-haven urgency, contributing to near-term consolidation in bullion. Silver fell by over 1% modestly on the session but remained on course for a strong weekly advance, underpinned by its strategic importance in clean energy, electronics, and advanced technologies, following its inclusion on the U.S. critical minerals list. Broader precious metal demand continues to draw support from geopolitical uncertainty and lingering concerns around central bank credibility and policy independence. Despite short-term pressure from macro data, underlying policy uncertainty and geopolitical risk keep the medium-term fundamental backdrop supportive for precious metals.

WTI crude oil prices edged higher by over 1% to \$59.70 per barrel as markets reassessed geopolitical risk against a backdrop of easing immediate conflict concerns. Statements from U.S. leadership indicating a softening of Iran’s internal crackdown reduced the perceived probability of near-term military action, tempering fears of abrupt supply disruptions from a key producing region. Reports that Israel has urged a delay in any U.S. response further lowered the risk of sudden escalation. At the same time, Washington’s decision to expand its military footprint in the Middle East keeps a layer of risk premium embedded in energy markets, as shipping lanes and regional output remain sensitive to security developments. From a macro standpoint, OPEC’s guidance pointing to broadly balanced supply-demand conditions into 2026 offers stability, while global monetary settings and fiscal pressures continue to shape investor appetite for real assets. Fundamentally, crude oil is mildly supportive, driven by lingering geopolitical risk and steady macro demand signals despite reduced near-term conflict probability.

Base metals opened the session under pressure and continued to retreat from recent highs as profit-taking and regulatory developments weighed on sentiment. Zinc and nickel led losses, falling over 2%, while copper and aluminium declined more than 1%, with copper slipping back below the \$13,000/ton mark. The pullback follows last week’s record-setting rally and was exacerbated by China’s move to tighten oversight of high-frequency trading, prompting sharp sell-offs across Shanghai, London, and New York markets. Weaker Chinese macro signals also added to caution, with new bank lending hitting a seven-year low and targeted rate cuts failing to lift confidence meaningfully amid a prolonged property downturn. That said, the broader downside remains cushioned by persistent supply disruptions and structurally tight balances, particularly in copper and aluminium. With markets recalibrating after the recent surge while keeping a close watch on Chinese demand trends and global policy signals.

U.S. natural gas futures are trading modestly higher near \$3.10/mmBtu, rebounding from a recent three-month low as colder U.S. weather expectations revive heating demand and trigger short covering. Support also stems from policy-driven supply signals, with the EIA lowering its 2026 dry gas production outlook despite output remaining near record levels. Inventory data highlighted demand fragility, as the latest storage draw significantly lagged both consensus and the five-year norm, while LNG feedgas flows softened week over week. Against this backdrop of elevated supply, uneven demand, and limited geopolitical disruption, the near-term fundamental bias remains cautiously neutral to slightly supportive.

Date	IST	Currency	Data	Forecast	Previous
16-Jan-2026	19:45	USD	Industrial Production m/m	0.1%	0.2%
	20:30	USD	NAHB Housing Market Index	40	39
	21:20	USD	FOMC Member Collins Speaks		

Source: Forexfactory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	4511.6	4562.6	4578.4	4604.0	4629.5	4645.3	4696.3
	MCX Gold Feb	140345	141802	142252	142980	143708	144158	145615
	Spot Silver	83.69	87.85	89.13	91.22	93.30	94.58	98.75
	MCX Silver Mar	273268	283580	286765	291921	297077	300262	310574
	MCX Copper Jan	1245.9	1273.4	1281.9	1295.6	1309.3	1317.8	1345.3
	MCX Zinc Jan	309.6	313.2	314.3	316.1	317.9	319.0	322.6
	MCX Lead Jan	187.6	189.9	190.6	191.8	193.0	193.7	196.0
	MCX Aluminium Jan	308.4	313.0	314.4	316.7	319.0	320.4	325.0
	MCX Crude Oil Jan	5198	5319	5357	5417	5477	5515	5636
	MCX Natural Gas Jan	262.77	277.49	282.04	289.40	296.76	301.31	316.03

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



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

FUNDAMENTAL RESEARCH TEAM

Anindya Banerjee	Head of Research
Kaynat Chainwala	AVP, Commodity Research
Riteshkumar Sahu	Agri-Complex
Saish Sawant Dessai	Base Metals

TECHNICAL RESEARCH TEAM

Abhijit Chavan	Jimesh Chauhan	Durgesh Ugawekar	Nikesh Kumar	Gyan Singh
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