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### **Gold pauses after five-day rally ahead of key US Job and retail sales data; Crude Oil weakens on oversupply signals**

Gold prices edged lower to trade below \$4,280 per ounce, while silver declined nearly 2% on Tuesday as investors turned cautious ahead of key U.S. employment and inflation data that could influence the Federal Reserve's policy path into the new year. Markets are pricing in a 76% probability of a 25-basis-point rate cut in January, with expectations of up to two cuts, per CME FedWatch. However, clarity may remain limited as a prolonged government shutdown disrupted recent labor data. Fed commentary suggesting inflation is closer to the 2% target has capped upside, prompting profit-taking near recent highs. Gold remains range-bound in the near term, with softer U.S. data likely to support renewed upside, while resilient data may prolong consolidation.

WTI crude oil declined about 1.8% on Tuesday, slipping below \$55.80 per barrel and extending prior losses as optimism around a potential Russia–Ukraine peace agreement weighed on prices. Reports of progress in diplomatic negotiations, including possible U.S. security guarantees to Ukraine, raised expectations of eased sanctions on Russian energy exports, although Russia's refusal to concede territory keeps uncertainty elevated. Additional pressure stemmed from weak Chinese economic data, with factory output growth at 15-month low and retail sales showing subdued consumption. While the U.S. seizure of a Venezuelan tanker offered marginal support, ample floating storage and steady Venezuelan exports to China offset its impact. Crude prices are likely to remain range-bound to weak in the near term amid oversupply risks, fragile demand signals, and easing geopolitical risk premiums. A sustained recovery would require clearer improvement in global demand, particularly from China.

Base metals traded mixed, with zinc underperforming while copper held above \$11,600/ton in cautious, low-liquidity conditions ahead of key U.S. jobs data. With year-end thinning volumes, price action across the complex has become increasingly volatile, leaving markets vulnerable to sharp, short-term swings. Despite a modest pullback, copper remains firmly supported, up around 33% year-to-date and on track for its strongest annual performance since 2009. Structural supply disruptions, sustained inflows into U.S. inventories amid trade uncertainty, and expectations of rising demand from AI data centers and the energy transition continue to underpin prices. The stabilization of China's Yangshan premium near a two-month high also points to steady import demand. On the supply side, South32's decision to place its Mozaal aluminium smelter under care and maintenance adds to tightening supply risks. Overall, copper's underlying tone remains resilient despite near-term caution.

U.S. natural gas futures declined over 2.7% to around \$3.9/MMBtu, extending losses for a fourth session and hitting the lowest level since late October. Above-average temperature forecasts ahead of Christmas are expected to limit heating demand, while record production near 109.7 Bcf/d and ample storage continue to pressure prices. Although EIA reported a larger-than-expected 177 Bcf storage draw, robust LNG exports have yet to offset supply glut concerns. Near-term bias remains bearish to range-bound unless colder weather materially boosts demand.

Date	IST	Currency	Data	Forecast	Previous
16-Dec-2025	19:00	US	Average Hourly Earnings m/m	0.3%	0.2%
	19:00	US	Core Retail Sales m/m	0.2%	0.35
	19:00	US	Non-Farm Employment Change	51K	119K
	19:00	US	Retail Sales m/m	0.1%	0.2%
	19:00	US	Unemployment Rate	4.5%	4.4%
	20:15	US	Flash Manufacturing PMI	52.0	52.2
	20:15	US	Flash Services PMI	54.0	54.1

Source: Forexfactory

# Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	4190.2	4238.6	4253.5	4277.7	4301.9	4316.8	4365.2
	MCX Gold Feb	131353	132673	133081	133741	134401	134809	136129
	Spot Silver	59.52	61.40	61.97	62.91	63.85	64.43	66.30
	MCX Silver Mar	188286	193325	194881	197400	199919	201475	206514
	MCX Copper Dec	1073.7	1091.3	1096.7	1105.5	1114.3	1119.7	1137.3
	MCX Zinc Dec	294.8	300.1	301.8	304.5	307.1	308.8	314.1
	MCX Lead Dec	179.3	180.2	180.5	180.9	181.3	181.6	182.5
	MCX Aluminium Dec	276.1	278.9	279.8	281.2	282.6	283.5	286.3
	MCX Crude Oil Dec	4957	5032	5055	5093	5131	5154	5229
	MCX Natural Gas Dec	324.61	342.74	348.34	357.40	366.46	372.06	390.19

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



Chart Source: Trading view

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## RATING SCALE FOR DAILY REPORT

<b>BUY</b>	We expect the commodity to deliver 1% or more returns
<b>SELL</b>	We expect the commodity to deliver (-1%) or more returns
<b>SIDEWAYS</b>	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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