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Gold consolidates near record high levels, Silver leads rally; Crude oil bounces on Venezuela tensions

Spot gold advanced above \$4,340 per ounce, supported by growing expectations of additional Federal Reserve easing next year, though upside momentum faced resistance due to selling at elevated levels. Silver outperformed, climbing to a fresh peak near \$66.5, showing strong investor appetite for precious metals amid macroeconomic uncertainty. Recent U.S. labor data reinforced the dovish outlook, with unemployment rising to 4.6%, its highest since 2021, and wage growth slowing to multi-year lows. Markets are now pricing in roughly 59 bps rate cuts in 2026, with a near-term focus on upcoming CPI and PCE inflation data for confirmation. Geopolitical risks added further support, as renewed tensions surrounding Venezuelan oil sanctions partly offset optimism from progress in Russia–Ukraine peace talks. From a fundamental perspective, lower real yields, easing monetary conditions, and elevated geopolitical risks remain positive for gold and silver. However, near-term volatility is likely around key U.S. inflation releases and Fed commentary. Overall, the medium-term outlook remains bullish with irregular consolidation at higher price levels.

WTI crude oil rebounded nearly 2% to trade above \$56.30 per barrel, recovering from its lowest levels since 2021 driven by heightened geopolitical risk after U.S. President Donald Trump ordered a blockade of sanctioned oil tankers linked to Venezuela, while also labeling the country's leadership as a foreign terrorist organization. The announcement raised concerns over potential supply disruptions in the Atlantic Basin. However, market participants in Asia noted that technical and bargain buying played a key role in the rebound, as prices had dipped below \$60 in the previous session, attracting short-covering and fresh longs. Uncertainty remains over the scope and enforcement of the blockade, including how many vessels may be impacted and whether U.S. naval or Coast Guard assets will be used. Notably, several tankers transporting Venezuelan crude, as well as oil from Iran and Russia, remain unsanctioned. Near-term prices may stay supported by geopolitical risk premiums, but sustained upside appears limited by ample global supply, weak demand growth, and cautious macro sentiment.

Base metals are trading with a positive bias today, led by LME Copper, which is up nearly 1% at around \$11,700 per tonne, holding close to multi-month highs. Prices continue to draw support from robust demand in China and the United States, the world's two largest consumers. In China, steady growth in electric vehicles, power grids, and renewable energy infrastructure is underpinning consumption, while in the U.S., an AI-driven investment cycle is boosting demand for copper-intensive data centers and transmission networks. Other base metals, including zinc, lead, and aluminium, are trading modestly higher by around 0.30%. On the supply side, persistent disruptions at major mines in Chile and Peru are reinforcing the constructive outlook for copper. However, uncertainty around the U.S. interest rate path and limited additional stimulus from China are capping aggressive upside. Looking ahead, base metals are expected to remain firm with intermittent volatility, supported by tight supply conditions, strategic stockpiling in the U.S., and structurally strong energy-transition demand.

U.S. natural gas futures rose about 2% to trade above \$3.9/mmbtu, rebounding from the lowest levels since late October, though prices remain nearly 27% below the three-year high seen on December 5. Near-term support is coming from colder-than-normal conditions in the U.S. Northeast, lifting heating demand, with Lower-48 consumption running above 106 Bcf/day, up over 20% year-on-year. The January contract also appears technically oversold, with the 9-day RSI near 28. However, the broader fundamental outlook remains mixed to bearish, as above-average temperatures, ample storage, and record-high production levels continue to cap upside, despite strong LNG export demand and a seasonally firm storage draw.

Date	IST	Currency	Data	Forecast	Previous
17-Dec-2025	18:45	US	FOMC Member Waller Speaks		
	19:35	US	FOMC Member Williams Speaks		
	21:00	US	Crude Oil Inventories	-2.4M	-1.8M

Source: Forexfactory

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	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	4232.2	4279.4	4294.0	4317.6	4341.2	4355.8	4403.0
	MCX Gold Feb	131665	133144	133601	134340	135079	135536	137015
	Spot Silver	62.31	64.24	64.84	65.80	66.76	67.36	69.29
	MCX Silver Mar	194584	200035	201719	204445	207171	208855	214306
	MCX Copper Dec	1080.8	1097.4	1102.5	1110.8	1119.1	1124.2	1140.8
	MCX Zinc Dec	293.7	299.0	300.7	303.4	306.0	307.7	313.0
	MCX Lead Dec	178.8	179.7	179.9	180.4	180.9	181.1	182.0
	MCX Aluminium Dec	276.5	279.1	279.9	281.3	282.6	283.4	286.0
	MCX Crude Oil Jan	4987	5068	5093	5134	5175	5200	5281
	MCX Natural Gas Dec	329.25	345.97	351.14	359.50	367.86	373.03	389.75

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

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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