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Spot Gold rebounds on dollar weakness, while WTI Crude extends losses amid supply concerns

Spot Gold rebounded from the day's low of \$3,635 per ounce to trade near \$3,670, supported by weakness in the US dollar. This recovery followed a decline from a record high in the prior session, as traders reacted cautiously to the Fed's guarded stance on rate cuts for the rest of 2025. Gold settled lower after Chair Jerome Powell emphasized concerns over tariff-driven inflation, signaling a "meeting-by-meeting" approach to policy. The stronger dollar also weighed on gold prices. Despite recent volatility, gold remains nearly 40% higher year-to-date, outpacing the S&P 500 and surpassing its inflation-adjusted 1980 peak. Haven demand amid trade and geopolitical risks, alongside robust central bank purchases and ETF inflows, continue to support the rally. The Fed's decision comes during heightened uncertainty, with political pressures intensifying after Governor Lisa Cook's legal battle and dissenting views within the board.

WTI Crude Oil extended losses for a second session, trading near \$63.20 per barrel as markets balanced rising U.S. fuel inventories and crude exports against the Federal Reserve's latest rate cut. U.S. distillate stockpiles, including diesel, climbed to their highest level since January, while crude exports surged to the strongest level since late 2023. Although lower interest rates generally support energy demand, traders had largely priced in the Fed's 25 basis-point cut, unwinding expectations of a larger move. Prices remain influenced by multiple crosscurrents: potential risks to Russian supply, the return of OPEC+ barrels that has heightened concerns over a potential glut, and the economic drag from U.S. President Trump's tariffs. Meanwhile, the International Energy Agency projects a sharp decline in oil use for power generation in the Middle East and North Africa, likely freeing additional Saudi and Iraqi crude for exports in the coming decade.

Base metals traded lower today, with LME copper slipping over 0.40% to \$9,960 per ton in midday trade, following the Federal Reserve's rate cut. While earlier gains were supported by expectations of lower borrowing costs, sentiment has shifted toward concerns over U.S. tariffs and their impact on global growth. A firmer dollar also pressured prices as markets await Fed Chair Jerome Powell's policy outlook. Meanwhile, Chile, the world's top copper producer, projects output growth, targeting a record 6 million tons by 2027. Despite operational challenges, July output was robust, with Codelco up 6.4% year-on-year and BHP's Escondida rising 7.8%. LME Aluminium and Zinc fall by 0.3% and 0.90% today while lead is trading flat.

European natural gas prices edged higher as forecasts for cooler temperatures are expected to boost heating demand. Benchmark futures gained up to 0.9%, though they continue to trade within the tight range seen since last month amid geopolitical uncertainty. The anticipated rise in heating use may slow gas injections into storage sites, which currently stand just above 80% full. At the same time, LNG imports remain in focus, with early signs of stronger Asian demand potentially intensifying competition for cargoes. European inflows have already eased from earlier this month, with scheduled maintenance at France's Montoir and Germany's Brunsbuettel LNG terminals likely to further restrict supply.

Date	IST	Currency		Forecast	Previous
18-Sep-2025	18:00	USD	Unemployment Claims	241K	263K
	18:00	USD	Philly Fed Manufacturing Index	1.7	-0.3
	20:00	USD	Natural Gas Storage	80B	71B

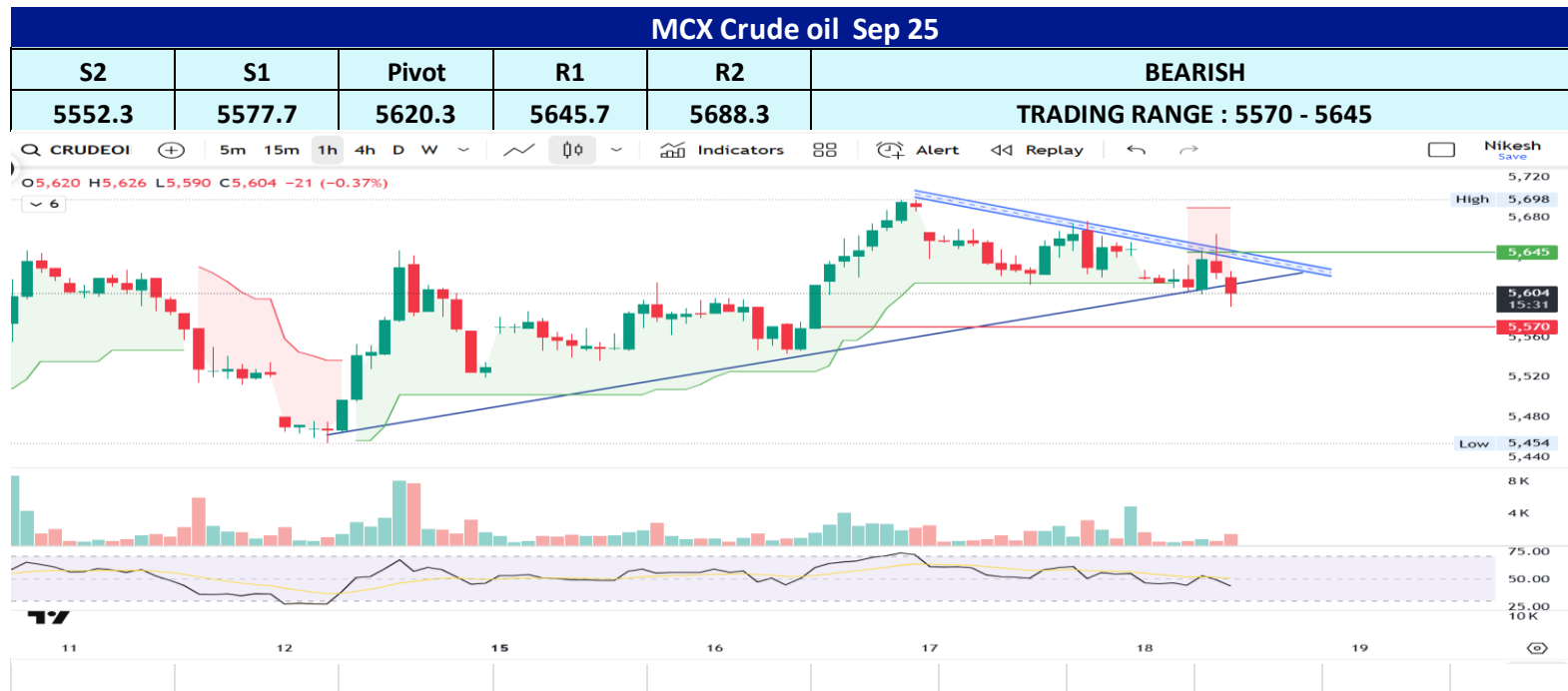
Source: Forexfactory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	3609.7	3643.9	3654.5	3671.6	3688.7	3699.2	3733.5
	MCX Gold Oct	108339	109136	109382	109781	110180	110426	111223
	Spot Silver	40.64	41.34	41.55	41.90	42.25	42.47	43.16
	MCX Silver Dec	123968	125844	126423	127361	128299	128878	130754
	MCX Copper Sep	891.5	898.3	900.4	903.8	907.2	909.3	916.1
	MCX Zinc Sep	273.6	276.4	277.3	278.7	280.0	280.9	283.7
	MCX Lead Sep	181.4	182.4	182.7	183.3	183.8	184.1	185.1
	MCX Aluminium Sep	254.8	256.7	257.3	258.3	259.2	259.8	261.7
	MCX Nickel Oct	1322.1	1335.3	1339.4	1346.0	1352.6	1356.7	1369.9
	MCX Crude Oil Sep	5448	5534	5560	5603	5646	5672	5758
	MCX Natural Gas Sep	260.83	267.39	269.42	272.70	275.98	278.01	284.57
	MCX Electricity Sep	3744.36	3808.84	3828.76	3861.00	3893.24	3913.16	3977.64

Source: Bloomberg, KS Commodity Research

Please See Disclosure/Disclaimer at end of the report



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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