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Gold, Silver hit record highs on geopolitical risk premium; Crude oil consolidates amid surplus concerns

Gold and silver extended their powerful rally on Tuesday as escalating U.S.–Europe tensions reignited safe-haven demand. Spot gold surged past the $4,700 per ounce threshold for the first time, touching fresh record highs above $4,735, while silver traded near historic levels after climbing roughly 1% to around $95.5 per ounce. Market sentiment deteriorated after U.S. President Donald Trump renewed tariff threats against European allies and intensified his push to assert control over Greenland, prompting the European Union to consider retaliatory steps. The resulting selloff in U.S. equities and government bonds pressured the dollar, which slipped to a one-week low, further supporting precious metals. Fears of a return to trade-war style volatility drove investors toward gold, silver, and the Swiss franc ahead of an emergency EU summit in Brussels. With geopolitical uncertainty, currency weakness, and policy unpredictability persisting, gold and silver remain well supported as core defensive assets in the near term.

WTI crude oil futures slipped below $59 per barrel on Tuesday, extending recent weakness as markets reassessed demand risks amid rising geopolitical conflicts. Trade tensions between the US and the EU intensified after Trump warned of additional tariffs on European allies linked to the Greenland dispute, raising concerns that slower economic activity could dampen global energy consumption. At the same time, near-term supply risks eased after Trump signaled a pause in potential military action against Iran, lowering fears of immediate disruptions to Middle Eastern oil flows. These factors come against the backdrop of a broadly oversupplied market, even as localized tightness persists due to Black Sea disruptions and a temporary shutdown at Kazakhstan's Tengiz field. Attention now turns to the IEA's monthly report for updated balance assessments. However, now prices recover to over $59.5 but remain vulnerable to demand-side headwinds from trade uncertainty, while ample supply caps upside, suggesting a cautious near-term bias despite pockets of regional tightness.

LME base metals trade lower, with copper and zinc retreating nearly 1% as the complex cooled after the recent record-setting rally. Copper hovered around $12,850/ton, with COMEX prices easing to about $5.85/lb, as signs of softening demand emerged from top consumer China. The Yangshan import premium, a key gauge of Chinese consumption has halved over the past month to its lowest level since mid-2024, pointing to reduced buying interest after elevated prices. Sentiment was further weighed by the U.S. decision to defer tariffs on critical minerals and China's stepped-up crackdown on high-frequency trading, which has dampened speculative flows. While near-term momentum has softened, copper remains underpinned by longer-term supply constraints and energy-transition demand, suggesting pullbacks may prove corrective rather than trend-changing.

U.S. natural gas futures surged more than 5% to around $3.70/MMBtu, extending the prior session's 17% rebound from a 13-week low near $3.10, as an intensifying Arctic outbreak swept across the United States. A rapid shift from mild conditions to severe cold has forced sharp repricing, with forecasts pointing to prolonged sub-freezing temperatures across the Midwest and East Coast into early February. Heating demand is set to rise sharply, boosting power generation needs. Near-term bias remains supportive on weather-driven demand, though elevated production and softer LNG flows may cap upside once cold risks fade.

Date	IST	Currency		Forecast	Previous
20-Jan-2026	Tentative	USD	ADP Weekly Employment Change		11.8K

Source: Forexfactory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	4623.1	4683.9	4702.7	4733.1	4763.5	4782.3	4843.1
	MCX Gold Feb	145006	147435	148185	149400	150615	151365	153794
	Spot Silver	87.69	91.75	93.01	95.05	97.08	98.34	102.40
	MCX Silver Mar	298673	311334	315245	321575	327905	331816	344477
	MCX Copper Jan	1247.2	1271.7	1279.2	1291.5	1303.8	1311.3	1335.8
	MCX Zinc Jan	306.7	310.1	311.1	312.8	314.4	315.4	318.8
	MCX Lead Jan	187.8	189.6	190.2	191.2	192.1	192.7	194.5
	MCX Aluminium Jan	308.5	312.2	313.4	315.3	317.1	318.3	322.0
	MCX Crude Oil Feb	5238	5340	5372	5423	5474	5506	5608
	MCX Natural Gas Jan	305.69	325.65	331.82	341.80	351.78	357.95	377.91

Source:Bloomberg, KS Commodity Research *Please See Disclosure/Disclaimer at end of the report*

MCX Natural Gas Jan 26					
S2	S1	Pivot	R1	R2	BULLISH
316.5	329.1	335.6	348.2	354.7	TRADING RANGE : 335 - 351

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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