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August 26, 2025

Gold edges higher on Fed independence concerns, while crude oil retreats after four-day rally on supply clarity

Spot gold advanced above $3,370 per ounce after President Donald Trump sought to oust Federal Reserve Governor Lisa Cook, raising concerns over central bank independence and bolstering safe-haven demand. The announcement, posted on Trump's Truth Social account, briefly pressured the dollar before Cook asserted that the president lacked authority to remove her. A softer dollar typically supports gold, priced in the greenback. Trump's latest move adds to ongoing pressure on the Fed to ease policy, even as officials have held rates steady this year amid inflation risks linked to tariffs. However, Chair Jerome Powell recently signaled the possibility of a rate adjustment in September. With investors factoring in lower rates, gold remains supported both by monetary easing prospects and as a hedge against long-term inflation and institutional uncertainty. The metal has already gained over 25% this year, largely driven by geopolitical and trade tensions.

WTI crude oil slipped over 1.7% to trade below $63.70, snapping a four-day advance as markets turned risk-averse following renewed political uncertainty. Sentiment weakened after President Trump moved to oust Fed Governor Lisa Cook, fueling broader market caution. Adding pressure, the U.S. Department of Homeland Security announced a sharp escalation in trade tensions by doubling tariffs on Indian imports, effective Wednesday, in response to New Delhi's continued purchases of Russian crude. The IEA recently cautioned that slowing demand growth, combined with aggressive OPEC+ output hikes, could drive the oil market into a record surplus next year, challenging the sustainability of current stability.

Base metals traded mostly lower on the LME, with zinc leading losses, while copper hovered near $9,797/ton. Sentiment around the red metal was supported by the US Geological Survey's proposal to include copper in its 2025 draft list of critical minerals, though high inventories kept gains in check. On the MCX, trade was mixed, with copper just under ₹889/kg while other metals stayed under pressure. Market appetite was further dented, as fading optimism after Powell's Jackson Hole speech and caution ahead of this week's U.S. inflation data also weighed. On the supply side, Chile's regulator imposed new conditions on Codelco before resuming operations at mine after July's deadly collapse, adding to earlier production cuts and keeping supply risks alive. Technically, MCX copper faces resistance near ₹899/kg with support placed at ₹882.

US natural gas futures traded near $2.69/MMBtu, steadying after hitting their lowest level since Nov 2024 ($2.62/MMBtu) in the prior session, as abundant supply continues to weigh on the market. Production in the Lower 48 averaged a record 108.4 bcfd in August, slightly above July, keeping storage levels 5.8% higher than seasonal norms. Although the latest storage injection fell short of the five-year average, signaling some demand pull, overall fundamentals remain soft. LNG exports have edged up to 15.8 bcfd, but near-normal weather forecasts into early September limit upside consumption. Strong supply and comfortable inventories are expected to keep prices under pressure.

Date	IST	Currency	Data	Forecast	Previous
26-Aug-2025	18:00	USD	Core Durable Goods Orders m/m	0.2%	0.2%
	18:00	USD	Durable Goods Orders m/m	-3.8%	-9.4%
	19:30	USD	CB Consumer Confidence	96.4	97.2
	19:30	USD	Richmond Manufacturing Index	-11	-20

Source: Forexfactory

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	3327.7	3354.0	3362.1	3375.2	3388.3	3396.5	3422.7
	MCX Gold Oct	99691	100296	100483	100786	101089	101276	101881
	Spot Silver	37.55	38.10	38.27	38.54	38.82	38.99	39.54
	MCX Silver Sep	113420	114745	115155	115817	116479	116889	118214
	MCX Copper Aug	871.9	877.0	878.7	881.3	883.8	885.5	890.6
	MCX Zinc Aug	262.8	264.9	265.6	266.7	267.7	268.4	270.5
	MCX Lead Aug	180.4	181.4	181.7	182.2	182.7	183.0	184.0
	MCX Aluminium Aug	247.2	249.3	249.9	251.0	252.1	252.7	254.8
	MCX Crude Oil Sep	5447	5531	5557	5599	5641	5667	5751
	MCX Natural Gas Aug	222.36	229.35	231.51	235.00	238.49	240.65	247.64

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

Source: Trading View

MCX Crude oil Sep 25

S2	S1	Pivot	R1	R2	BEARISH
5539.7	5569.3	5622.7	5652.3	5705.7	TRADING RANGE : 5550 - 5660

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BUY	We expect the commodity to deliver 1% or more returns
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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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