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Gold breaches \$3,800 on Fed cut bets; Crude Oil pressured by Kurdistan exports, OPEC+ supply outlook

Spot gold prices surged past \$3,800 an ounce for the first time on Monday, supported by growing expectations of U.S. Federal Reserve rate cuts and heightened safe-haven demand. The U.S. dollar index slipped 0.2%, making bullion more attractive for overseas investors. Market focus remains on President Donald Trump's meeting with Congressional leaders over government funding, with the risk of a shutdown from Wednesday boosting gold's appeal. The U.S. PCE Price Index on Friday aligned with forecasts, reinforcing a 90% probability of a 25-basis-point Fed cut in October and 65% odds for another in December, according to CME FedWatch. Additionally, new U.S. tariffs on drugs, trucks, and furniture from October 1 add to economic uncertainty. Gold, which benefits from lower rates and thrives in periods of financial and geopolitical stress, has gained over 45% so far this year, underscoring its strong safe-haven allure.

WTI Crude Oil fell over 1.2% on Monday to around \$64.90 per barrel after Iraq's Kurdistan region resumed exports via Turkey, adding fresh supply pressure alongside expectations of an OPEC+ output hike in November. Crude shipments from northern Iraq to Turkey's Ceyhan port restarted after a 2.5-year halt, with initial flows of 180,000–190,000 bpd potentially rising to 230,000 bpd under a federal-KRG-producer deal. The U.S. had pressed for the restart to ease tight supplies, though fears of rising production continue to cap price gains. OPEC+ is expected to approve at least a 137,000 bpd increase at its upcoming meeting, though the group remains nearly 500,000 bpd short of current targets, tempering oversupply risks. Geopolitical risks remain elevated, with Russia intensifying strikes on Kyiv and the UN reinstating sanctions on Iran over its nuclear program, raising uncertainty for crude markets.

LME base metals traded firmly higher, extending last week's advance as supply disruptions and supportive policy headlines underpinned sentiment. Copper led the gains, climbing to around \$10,265/ton on the LME amid mounting supply worries after Freeport Indonesia agreed to halt operations at the Grasberg mine to prioritize rescue efforts. Meanwhile, operations at Peru's mine remain suspended amid protests, further tightening supply conditions and heightening risks for smelters. On the policy side, China announced new plans to upgrade its nonferrous metals sector by curbing low-end capacity and accelerating high-end material development, including copper. The government also pledged to step up mineral exploration and support strategic resources like aluminum, nickel and rare earths to reinforce supply chains for emerging technologies and electric vehicles. Together, these factors are keeping the market on edge and supporting prices across the base metals complex.

US natural gas futures retreated below \$3.20/MMBtu on Monday, pressured by ample storage and warming forecasts that reduce early-season heating demand prospects. As of September 19, inventories stood 6.1% above the five-year average, underscoring abundant supply. Forecasts from Atmospheric G2 indicated above-normal U.S. temperatures through October 10, further weighing on sentiment. Strong U.S. output adds to bearish pressure, with the EIA raising its 2025 production outlook to 106.63 bcf/day, near record highs. BNEF data showed Lower-48 dry gas production at 107.7 bcf/day (+6.8% y/y), while demand eased to 70.4 bcf/day (-0.9% y/y) and LNG net flows reached 15.8 bcf/day (+1.3% w/w).

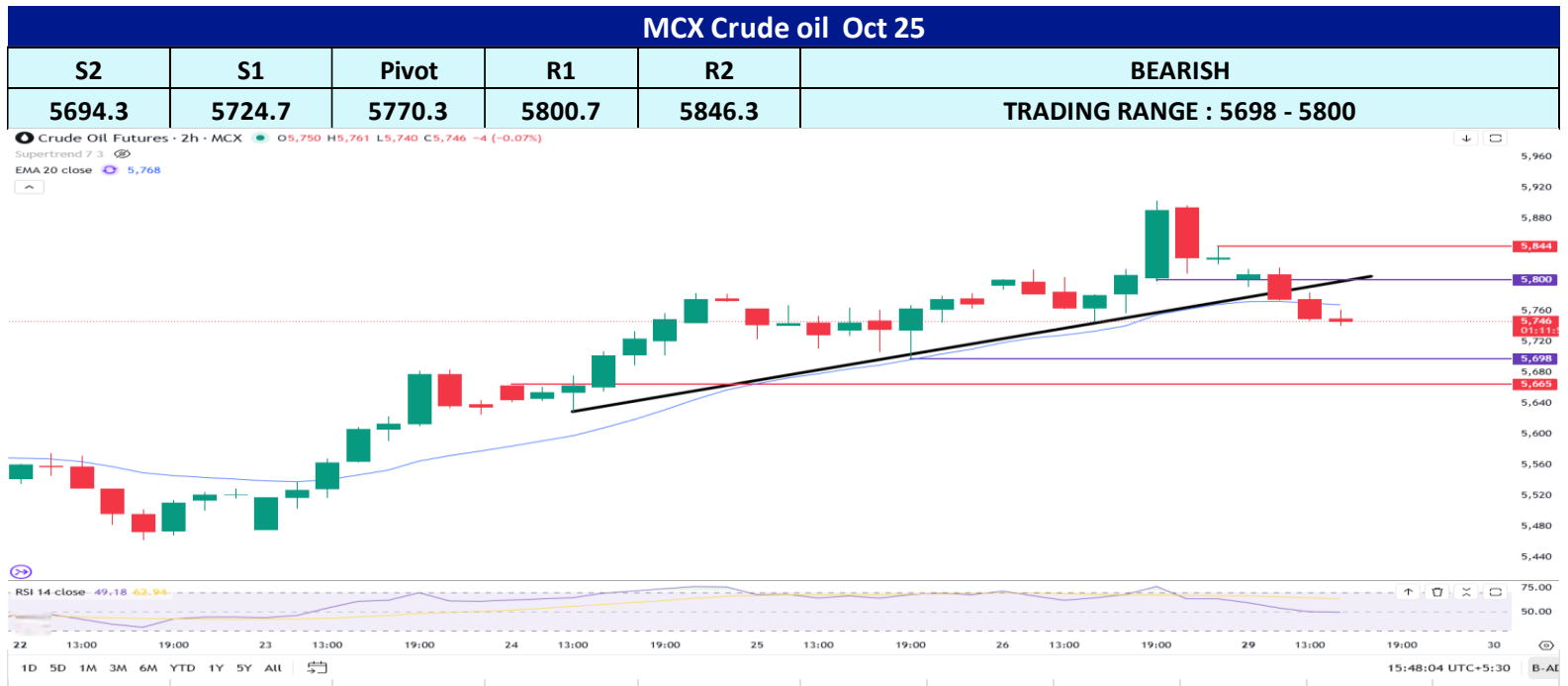
Date	IST	Currency		Forecast	Previous
29-Sep-2025	19:30	USD	Pending Home Sales m/m	0.2%	-0.4%
Source: Forexfactory	22:45	USD	President Trump Speaks		

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	3737.3	3777.0	3789.3	3809.2	3829.1	3841.4	3881.1
	MCX Gold Dec	114075	115079	115388	115890	116392	116701	117705
	Spot Silver	45.21	46.14	46.42	46.88	47.35	47.63	48.56
	MCX Silver Dec	138781	141244	142004	143236	144468	145228	147691
	MCX Copper Oct	928.2	938.3	941.4	946.4	951.4	954.5	964.6
	MCX Zinc Oct	279.6	282.6	283.5	285.0	286.5	287.4	290.4
	MCX Lead Oct	181.5	182.3	182.5	182.9	183.3	183.5	184.3
	MCX Aluminium Oct	253.9	255.9	256.5	257.5	258.5	259.1	261.1
	MCX Nickel Oct	1319.1	1335.1	1340.0	1348.0	1356.0	1360.9	1376.9
	MCX Crude Oil Oct	5583	5678	5707	5755	5803	5832	5927
	MCX Natural Gas Oct	272.89	279.59	281.65	285.00	288.35	290.41	297.11
	MCX Electricity Oct	3726.54	3769.36	3782.59	3804.00	3825.41	3838.64	3881.46

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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