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Natural gas rallies on colder weather outlook, Crude oil faces oversupply pressure ahead of OPEC+ meeting while gold holds steady

Spot gold steadied near \$4,000 an ounce as traders assessed a US-China trade truce that failed to ease concerns over long-term strategic competition between the two largest economies. Silver edged 0.20% lower, trading below \$49 per ounce. Gold is on track for its second consecutive weekly decline, down nearly 8% from its October 20 record high, as reduced expectations of further Federal Reserve rate cuts weighed on sentiment. Fed Chair Jerome Powell's caution that another move in December is not assured added to the corrective tone, though bullion remains on course for a third straight monthly gain. Meanwhile, sustained outflows from gold-backed ETFs—now in their longest stretch since April—have eroded support for the metal's recent rally. The combination of a “hawkish” rate cut, easing geopolitical tensions, and ETF liquidation is reinforcing near-term weakness. However, with US-China ties stabilizing and structural risks persisting, safe-haven demand continues to underpin gold's broader outlook.

WTI crude oil edged lower on Friday to trade near \$60.30 per barrel, extending its third consecutive monthly decline as a stronger US dollar, weak Chinese manufacturing data, and rising global supply weighed on sentiment. The greenback strengthened after Fed Chair Jerome Powell signaled that a December rate cut is not guaranteed, dampening risk appetite. Meanwhile, China's factory activity contracted for a seventh month in October, reinforcing concerns over slowing demand. On the supply front, OPEC+ is expected to approve a modest output increase in December as part of its ongoing effort to reclaim market share. The group has already lifted production targets by over 2.7 million barrels per day, while Saudi Arabia's crude exports hit a six-month high of 6.41 million bpd, and US output reached a record 13.6 million bpd. Western sanctions on Russian oil continue to disrupt flows, but expanded global supply has largely offset the impact. Crude remains pressured by supply growth and subdued demand recovery, suggesting a broadly rangebound to slightly bearish near-term bias.

Base metals extended losses for a second straight session, with LME copper easing 0.5% to \$10,861 a ton, while zinc, aluminum, and lead also traded lower. Copper's retreat followed tempered rate-cut expectations from the Federal Reserve, which strengthened the US dollar and reduced investor appetite for commodities. Fed Chair Jerome Powell's remarks that a December rate cut is “not guaranteed” pushed the Bloomberg Dollar Spot Index up 0.6%, its biggest gain in over three weeks. Meanwhile, the US-China trade truce offered limited relief, as markets saw little progress on key structural issues. Despite near-term weakness, copper prices remain elevated due to persistent supply constraints. Major producers, including Glencore and Anglo American, reported lower output this year, while a fatal mudslide at Freeport-McMoRan's Indonesian mine halted operations accounting for over 3% of global supply. Meanwhile, China's manufacturing PMI slipped to 49 in October, its longest contraction in over nine years, underscoring weak demand prospects. Fundamentally, the market remains tight, with macro sentiment dictating short-term direction.

Natural gas December futures traded over 3.5% higher near \$4.10/MMBtu on Friday, supported by colder US weather forecasts that could lift heating demand. Atmospheric G2 projected cooler temperatures across the eastern half of the country for November 9–13, spurring buying interest. The latest EIA report was largely neutral, showing inventories rose by 74 bcf, in line with expectations but above the five-year average of 67 bcf. US dry gas production stood at 107.1 bcf/day (+3.7% y/y), while demand reached 79.2 bcf/day (+12.1% y/y). LNG exports held steady at 16.7 bcf/day. Additionally, rising US electricity output, up 1.9% y/y in the latest week, signaled firm energy consumption. Colder weather trends and steady demand growth continue to provide near-term support for natural gas prices.

Date	IST	Currency	Data	Forecast	Previous
31-Oct-2025	19:15	USD	Chicago PMI	42.3	40.6

Source: Forexfactory

Evening Track

	Commodity	Support 3	Support 2	Support 1	LTP	Resistance 1	Resistance 2	Resistance 3
Commodities	Spot Gold	3852.4	3939.6	3966.6	4010.2	4053.9	4080.8	4168.1
	MCX Gold Dec	117500	119727	120415	121528	122641	123329	125556
	Spot Silver	46.49	47.81	48.22	48.88	49.54	49.95	51.27
	MCX Silver Dec	141866	145587	146737	148597	150457	151607	155328
	MCX Copper nov	991.8	1001.6	1004.6	1009.5	1014.4	1017.4	1027.2
	MCX Zinc nov	294.7	297.5	298.4	299.8	301.2	302.1	304.9
	MCX Lead nov	181.1	181.9	182.2	182.6	183.0	183.3	184.1
	MCX Aluminium nov	266.3	268.4	269.0	270.1	271.2	271.8	273.9
	MCX Nickel Nov	1281.5	1294.5	1298.5	1305.0	1311.5	1315.5	1328.5
	MCX Crude Oil Nov	5193	5281	5308	5352	5396	5423	5511
	MCX Natural Gas Nov	345.72	355.60	358.66	363.60	368.54	371.60	381.48

Source: Bloomberg, KS Commodity Research

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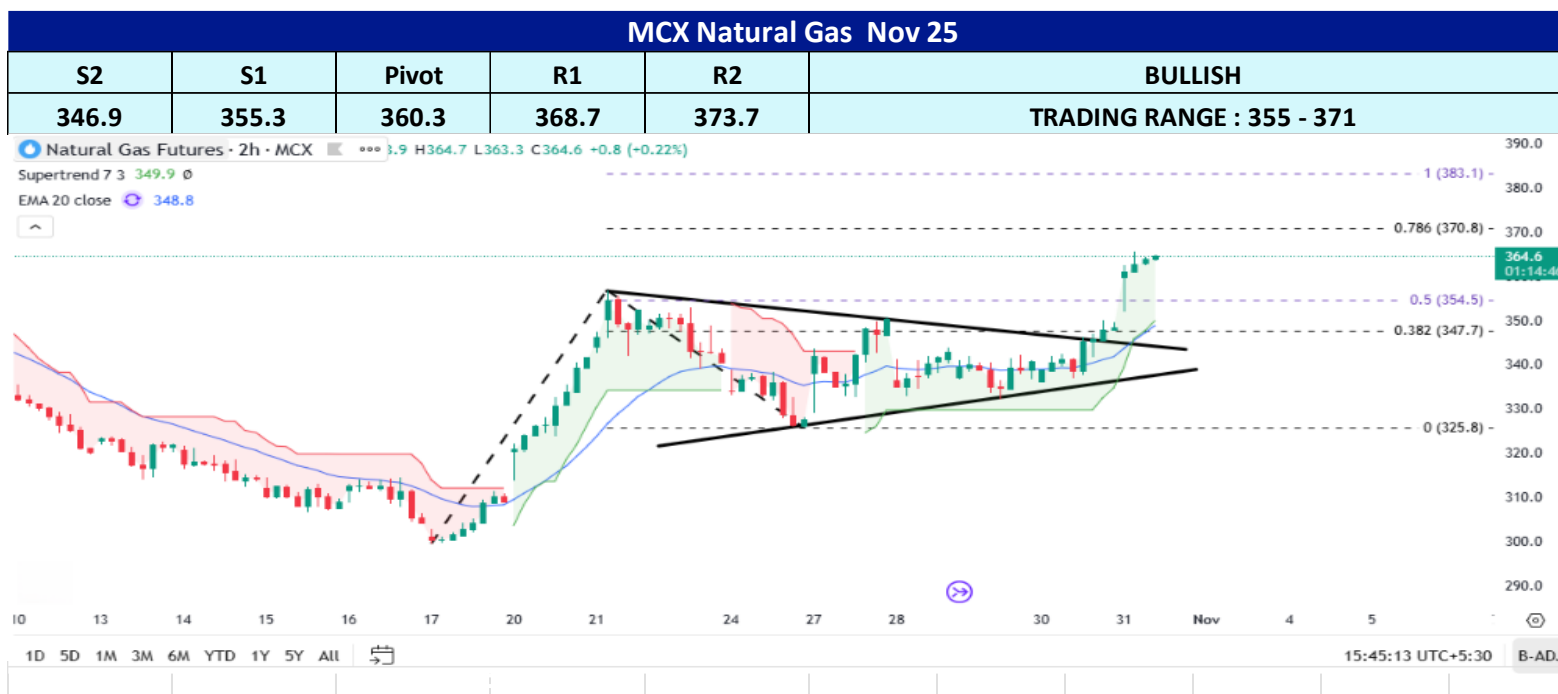


Chart Source: Trading view

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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