Monday, July 14, 2025

Overview

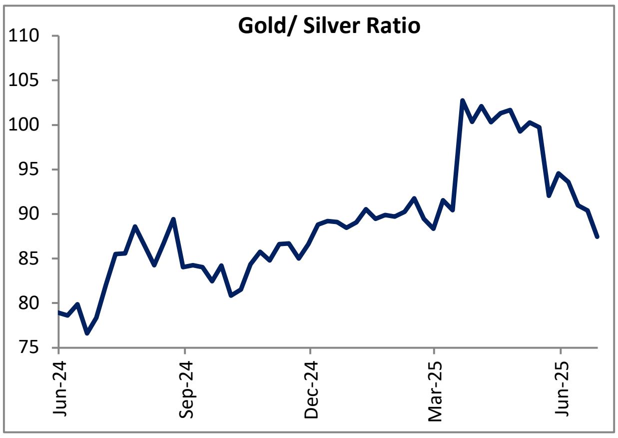
Silver outperformed most commodities last week, reaching an all-time high on the domestic front and hovering ~$40 on COMEX. Gold prices also rose to a three-week high, buoyed by safe-haven demand following U.S. President Donald Trump's tariff announcement, Fed officials comment, mixed economic data and volatility in Dollar index and US Yields.

Last week was marked by significant developments in U.S. trade policy as President Donald Trump intensified his tariff campaign. Trump announced a 30% tariff on imports from the European Union and Mexico, effective August 1, prompting strong reactions from both trading partners. The EU and Mexico condemned the tariffs as unfair and disruptive, with the EU extending its suspension of countermeasures against U.S. tariffs until early August, continuing to push for a negotiated settlement.

President Trump further escalated his tariff assault by imposing a 50% duty on imported copper and goods from Brazil, both set to take effect from August 1. Additionally, tariff notices were sent to 14 countries, including Japan and South Korea, warning of higher tariffs starting the same date. Earlier, Trump had announced a 10% base tariff on most countries with potential additional duties up to 50%, but postponed most of those increases until August 1, granting affected nations a three-week reprieve. New tariffs on Canadian imports were also announced, with a 35% levy planned alongside blanket duties of 15% to 20% on other trade partners. Despite these aggressive moves, Trump noted progress in trade

Exchange	Gold	COMEX	MCX
Contract	Spot		
Open	3325	3331	97252
Close	3355	3356	97818
Change	30	8	428
% Change	-0.05%	0.24%	0.44%
Pivot	3348	3352	97682
Resistance	3376	3374	98212
Support	3328	3334	97287

Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
Open	36.99	37.45	109333
Close	38.37	38.68	113001
Change	1.38	1.23	5483
% Change	4.85%	6.18%	5.10%
Pivot	37.92	38.35	111815
Resistance	38.97	39.25	114297
Support	37.31	37.77	110519



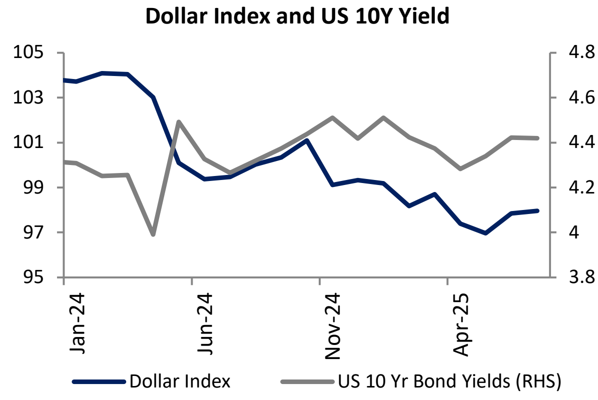
Source: Reuters

talks with China and the EU, signaling some room for negotiation before these tariffs are fully implemented.

The trade tensions and tariff announcements have contributed to uncertainty around inflation and Federal Reserve policy. Minutes from the Fed's June 17-18 meeting revealed that only a few officials believed interest rate cuts might happen imminently, with most preferring to delay reductions until later this year due to inflation risks tied to tariff impacts. Fed officials sent mixed signals last week, with some supporting a 50 basis points cut by December 2025 while others advocated for caution as tariff effects on inflation unfold. Market expectations adjusted accordingly, with futures traders no longer anticipating a rate cut this month and pricing in only two quarter-point cuts by year-end. Meanwhile, U.S. economic data showed signs of resilience. Weekly jobless claims unexpectedly fell to a seven-week low, indicating stable employment despite a cooling labor market. Inflation expectations remained stable according to the New York Fed's survey, which showed one-year inflation estimates at 3%, down from 3.2% in May, while longer-term expectations stayed at 3% and 2.6% for three and five years respectively.

The U.S. dollar index exhibited volatility but ended the week slightly higher, hovering around the 97 mark. After approaching a two-week high, the dollar steadied amid fluctuating risk sentiment related to trade developments. U.S. Treasury yields on the benchmark 10-year note remained near three-week highs, gaining some ground during the week as investors reassessed inflation and growth prospects amid tariff uncertainty. These moves influenced currency and commodity markets globally. The USDINR exchange rate continued to drive volatility in domestic prices, for most of last week USDINR was getting supports from lower end, supporting domestic commodities prices as well.

Gold/Silver ratio dropped further below 90 mark justifying a rapid move in Silver compared to Gold. SPDR gold holdings fell slightly by 0.12% to 947.64 metric tons, and gold speculators reduced their net long positions by 1,855 contracts to 134,842 by July 8th.



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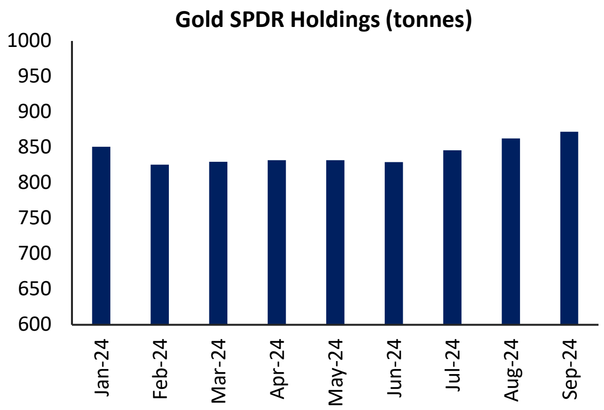

Source: Reuters

in response to U.S. military actions and international diplomatic developments.

Outlook:

Looking ahead, this week could continue to see heightened geopolitical tensions, President Trump's tariff impact, cautious central bank communication, and mixed economic data. The focus this week will shift toward key inflation releases from major economies, alongside critical U.S. data on PPI, retail sales, and industrial production, which will help clarify the economic outlook and influence Fed policy expectations going forward. Gold could trade in a broad range while we maintain a buy on dips stance for Silver.

Technical Levels:

Gold:

MCX Gold ended the previous week with a upside of 0.85%, showing signs of relief rallies after recent fall. The chart shows a range-bound market between approximately 96,000 and 1,00,000 for the week. A falling channel pattern has formed from mid-June to early July, marked by lower highs and lower lows within parallel downward-sloping trendlines. Currently, the price is testing the upper boundary near 98,000, just below the resistance at 1,00,000. The Bollinger Bands show limited volatility, indicating sideways consolidation within this range. Until a decisive breakout above 1,00,000 or breakdown below 96,00 occurs, expect the market to stay range-bound with limited momentum.

Silver:

Silver has broken out strongly above the key resistance level near ~112,000 supported by expanding Bollinger Bands indicating increased buying pressure. The price is now aiming for the next Fibonacci targets around 116000 and 1,18,000. Important support levels to watch are near 110,000 and the 50-day moving average at about 1,08,000, which could provide buying opportunities if there's a dip. Overall, the trend remains bullish, we continue to maintain a buy on dips stance for this week.

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