



**Monday, July 21, 2025**

## Overview

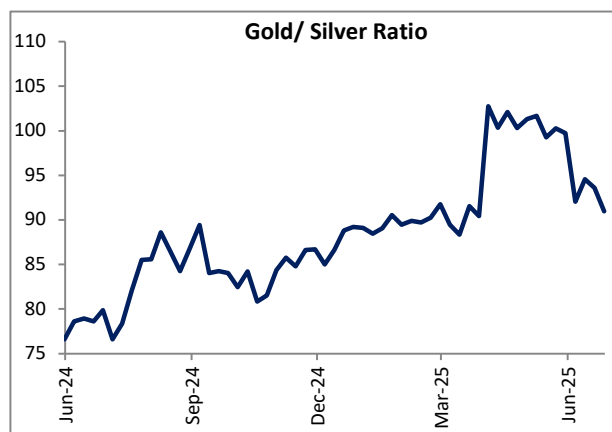
Silver took centre stage last week, commanding the spotlight with a remarkable price surge that pushed it to record levels domestically and near-decade highs globally. Prices of silver in India hit an all-time high of ₹1, 15,000, while on the COMEX, the metal rallied close to \$40—highest since 2012. Rally reflected bullish fundamentals and momentum-driven buying. Along with industrial demand, Exchange-Traded Product (ETP) inflows remained strong, suggesting that institutional interest in the white metal remains solid.

Silver took a brief breather, witnessed profit booking after the significant surge. Silver’s appeal as a hybrid asset—both an industrial commodity and a safe haven metal—continues to make it an attractive hedge in a market grappling with geopolitical uncertainty and evolving macroeconomic narratives. Investors remain alert to the potential for further upward moves, especially if inflation persists and if industrial growth indicators continue to trend higher globally.

Gold, meanwhile, witnessed stability amid the metal sector's broader volatility. Prices held steady, buoyed by safe-haven flows following a spike in geopolitical risk. U.S. President Trump's threat to impose a steep 30% tariff on imports from EU and Mexico starting August 1 drew considerable attention from investors. This sharp rhetoric prompted an immediate response from the EU, which opted to extend its suspension of counter-tariffs in an effort to keep diplomatic channels open. Market nerves were somewhat calmed later in the week after Trump expressed

Exchange Contract	Gold Spot	COMEX	MCX
<b>Open</b>	3338	3338	97320
<b>Close</b>	3349	3353	98024
<b>Change</b>	11	-3	206
<b>% Change</b>	-0.19%	-0.09%	0.21%
<b>Pivot</b>	3347	3347	97834
<b>Resistance</b>	3363	3356	98347
<b>Support</b>	3333	3344	97510

Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
<b>Open</b>	38.12	38.52	112529
<b>Close</b>	38.17	38.22	112950
<b>Change</b>	0.05	-0.29	-51
<b>% Change</b>	-0.51%	-1.17%	-0.05%
<b>Pivot</b>	38.21	38.33	113048
<b>Resistance</b>	38.40	38.41	113590
<b>Support</b>	37.97	38.14	112407



Source: Reuters



openness to further negotiations, helping to reduce the immediate risk premium. However, the situation remains fluid, and market participants continue to factor in the potential for an escalation.

Beyond trade, investors also monitored key economic data releases from the United States. Inflation figures for June showed the largest increase in five months, raising concerns that recent tariff threats may be filtering into broader consumer prices. However, producer prices displayed a more muted trend, and industrial production showed modest signs of recovery. These mixed signals added complexity to the outlook for monetary policy. Several Federal Reserve officials made public appearances in the previous week, with comments generally reflecting a cautious stance. Notably, Federal Reserve Governor Christopher Waller reaffirmed his view that rate cuts may still be necessary, reinforcing the market's expectation of at least one rate reduction before end of this year.

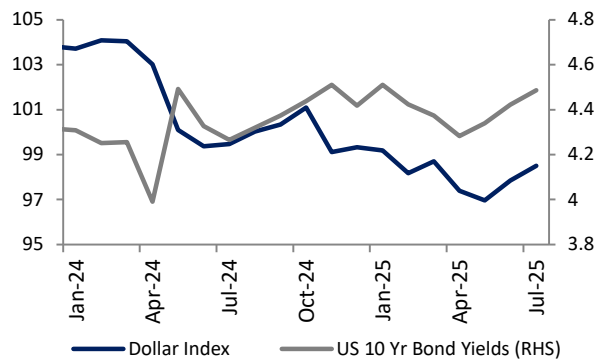
In the previous week, rumor sparked in the market regarding President Trump could fire Governor Powell and has also sent a letter to the parliament for considering this proposal. However, within a brief period of time President Trump himself denied these comments and said, he believes rates should be lower but he is not looking to fire the Governor.

Dollar index at the start of previous week continued to hover in a narrow range of 97-99. Lack of clear resolution on the U.S.–EU and U.S.–Mexico fronts, combined with the persistent uncertainty around U.S.–China relations, has kept the dollar's upside capped. However, there is an optimism in market, particularly following remarks from Commerce Secretary Lutnick, who maintained that a deal with the EU, is still within reach.

Speculation is also building around a potential meeting between Trump and Chinese President Xi Jinping—either ahead of the Asia-Pacific Economic Cooperation (APEC) summit at the end of October or on its side-lines in South Korea. Any positive update from this regarding an ease off in US and China trade talks could weigh on bullions and support dollar index.

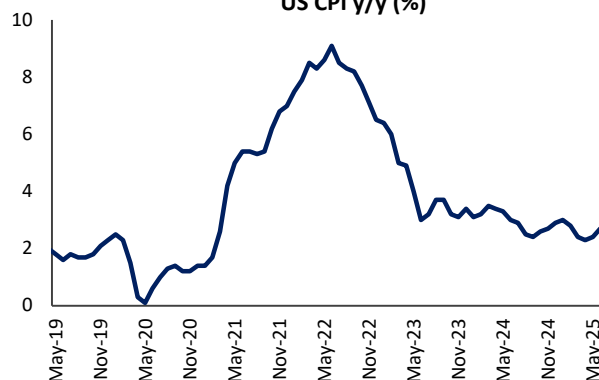
In global political developments, Japan's ruling coalition lost control of the upper house in parliamentary elections over the weekend, dealing a significant blow to Prime Minister Shigeru Ishiba's standing. The timing of the political shift, just

Dollar Index and US 10Y Yield



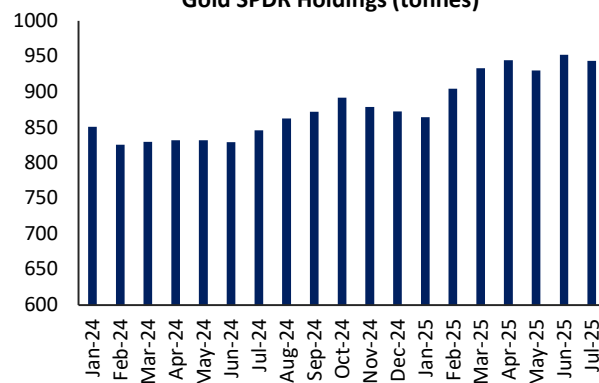
Source: Reuters

US CPI y/y (%)



Source: Reuters

Gold SPDR Holdings (tonnes)





as the U.S. tariff deadline looms, adds a layer of complexity to Asia-Pacific markets, with investors likely to reassess their exposure to Japanese assets in the short term. The broader regional implications of this political shift remain to be seen, particularly if Japan's ability to negotiate trade and economic policy becomes impaired.

### Outlook:

Looking ahead, markets will keep an eye on comments from China regarding further stimulus measures or loose monetary policy. Simultaneously, U.S. Fed Chair Powell's comments are expected to provide key insights into the central bank's near-term policy direction. Important U.S. economic data, including housing, consumer confidence, and manufacturing reports, will influence short-term market sentiment across precious metals. Gold could trade in a broad range, while buy on dips stance can be maintained for Silver.

### Technical Levels:

#### Gold:

In the previous week, MCX Gold gained approximately ₹420 or 0.20%, showing signs of resilience after a period of consolidation. Price action remained within a rising wedge pattern, supported by a short-term ascending trendline. The support zone at ₹97,600 (S1) held firm, leading to a mild recovery toward the ₹98,600–98,800 zone. However, with resistance looming near ₹99,600 (R1) and ₹1,01,200 (R2), a breakout remains elusive. Despite the recent uptick, the broader structure continues to be sideways, and a clear directional move will require a breakout from the wedge formation.



#### Silver:

After strong gains of **4% and 3%** in the prior weeks, **MCX Silver remained flat last week**, showing signs of consolidation within its rising channel. While the broader trend remains bullish, prices are nearing the upper end of the channel, raising the probability of a **near-term correction**. A dip towards the **₹1,11,000–1,09,000** zone could offer a **healthy retracement and a fresh buying opportunity**, as long as the trendline support holds. Momentum traders may consider adopting a **buy-on-dips strategy** in this phase of consolidation.





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