



Monday, July 28, 2025

Overview

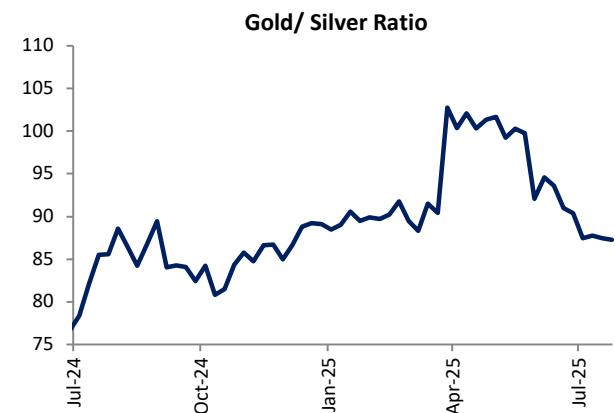
Gold prices slipped after briefly surpassing the ₹1 lakh mark on domestic front, as investors booked profits and shifting global developments reduced safe-haven demand. Bullion, which had recently surged on geopolitical tensions and central bank uncertainty, found itself pressured by signs of easing trade frictions between major economies, particularly the United States and the European Union. Risk on sentiment did weigh on prices however, fall in Dollar index and US Yields did cap some bit of losses.

A key trigger amidst this moderation in gold prices was the announcement of a framework trade agreement between the U.S. and EU. The deal, which imposes a 15% tariff on most EU goods entering the U.S., significantly scaled back earlier threats of much higher duties, thereby averting a broader transatlantic trade war. This agreement, which mirrors elements of a recent U.S.-Japan deal, provided markets with a sense of relief. However, it left several contentious issues unresolved, including tariff levels on items like spirits and automobiles—highlighting that while immediate escalation was avoided, longer-term trade dynamics remain uncertain.

The impact of this trade breakthrough was felt across global markets. Investors began to reallocate capital toward riskier assets, anticipating a stabilizing global trade environment. This shift came even as the U.S. dollar weakened, with the dollar index on track for its worst weekly performance in a month. Fall in dollar index did cap some losses on lower side, however,

Exchange Contract	Gold	COMEX	MCX
Spot			
Open	3369	3344	98582
Close	3336	3334	97819
Change	-33	-19	-205
% Change	-0.40%	-0.57%	-0.21%
Pivot	3345	3335	98063
Resistance	3365	3344	98383
Support	3316	3325	97500

Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
Open	39.02	38.93	115466
Close	38.14	38.17	113052
Change	-0.88	-0.76	102
% Change	-0.08%	-0.15%	0.09%
Pivot	38.42	38.38	113736
Resistance	38.91	38.72	115016
Support	37.65	37.83	111773



Source: Reuters

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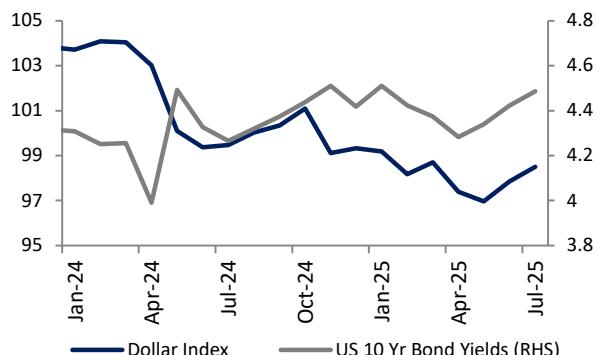
improving trade narrative outweighed the supportive currency dynamics this time.

Adding to the complexity was a batch of mixed economic data from the U.S., which complicated the outlook for monetary policy. Jobless claims came in lower than expected, signalling resilience in the labor market. At the same time, the services PMI beat expectations, while manufacturing activity continued to contract. This mixed data point's increased confusion for the Federal reserve further. While markets have been pricing in the possibility of rate cuts, especially amid President Trump's ongoing criticism of the Fed, Chair Jerome Powell has maintained a cautious stance. Powell recently reiterated the Fed's commitment to data dependency, suggesting that interest rate decisions would be guided by unfolding economic indicators rather than political pressure.

Political tensions added further uncertainty to the monetary policy landscape. U.S. President Donald Trump reportedly met with Chair Powell this week, raising speculation about the administration's influence over central bank policy. While Trump characterized the meeting as "positive," market participants remain skeptical that Powell would shift his policy stance purely on presidential urging. The Fed's upcoming two-day policy meeting is being closely watched, with expectations that the benchmark interest rate will remain in the 4.25%–4.50% range. However, any signals regarding the direction of future policy will be dissected for clues about the Fed's stance amid slowing global growth and persistent inflationary pressures.

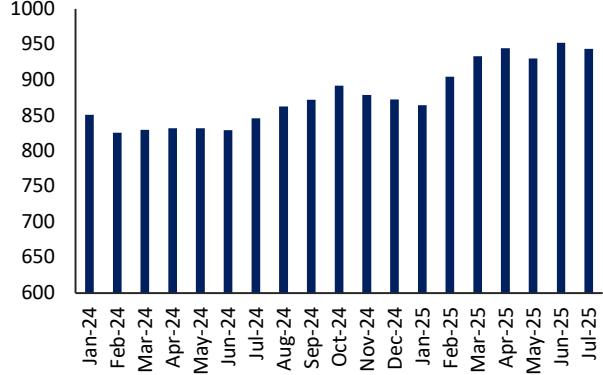
Internationally, attention is also turning toward renewed efforts to resolve longstanding economic disputes between the U.S. and China. Senior negotiators from both countries are set to meet in Stockholm, aiming to extend the current trade truce and prevent a re-escalation that could involve significantly higher tariffs. While hopes for a comprehensive deal remain muted, even partial progress or a deadline extension could boost market confidence and weigh further on bullion.

Dollar Index and US 10Y Yield



Source: Reuters

Gold SPDR Holdings (tonnes)





Outlook:

Looking ahead, gold's trajectory will hinge on a series of key U.S. economic indicators set for release, including US GDP, consumer confidence, the PCE price index, and non-farm payrolls. These data points will be critical in shaping expectations around future Federal Reserve policy moves. Strong economic readings could reinforce the Fed's cautious stance and delay interest rate cuts, while weaker data may boost the metal by reviving hopes for more accommodative measures. This week all eyes will be on Fed policy meeting along with the economic data points. We could see both Gold and Silver trading in a broad range for this week.

Technical Levels:

Gold:

In the previous week, Gold prices declined by nearly 200 rupees or -0.21%. Prices witnessed sharp decline as it failed to hold at higher levels and formed a Dark Cloud Cover bearish reversal pattern at resistance. The key support is now placed near Rs. 96000 level. However, key immediate resistance level is observed at Rs. 100500. The 14-period RSI on daily chart is dwelling around midpoint mark of 50 indicating indecisiveness. There is a possibility for it to trade with a neutral to negative bias. Any break below 97700 closing basis on the daily chart could accelerate the fall towards 96000.

Silver:

During the previous week, Silver prices gained by nearly 100 rupees or 0.09%. Prices are struggling to hold above Rs. 116500 level. The immediate key resistance is now observed near Rs. 116500 mark. However, key immediate support is placed near Rs. 111000 level. The 14-period RSI is turning downwards from the overbought zone on the daily chart suggesting a corrective fall (profit booking) on the daily chart. There is a possibility for it to trade in the broader consolidation range for the week going forward till it holds above 20 Day SMA.





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