



Monday, August 18, 2025

Overview

Gold prices experienced a modest decline last week, pressured by easing safe-haven demand and evolving geopolitical dynamics. Despite some supports from dovish expectations on U.S. interest rates and a weaker dollar, the metal struggled to sustain its earlier gains. Market participants faced a complex backdrop shaped by geopolitical talks, trade developments, and economic data releases that collectively influenced gold's performance and investor sentiment.

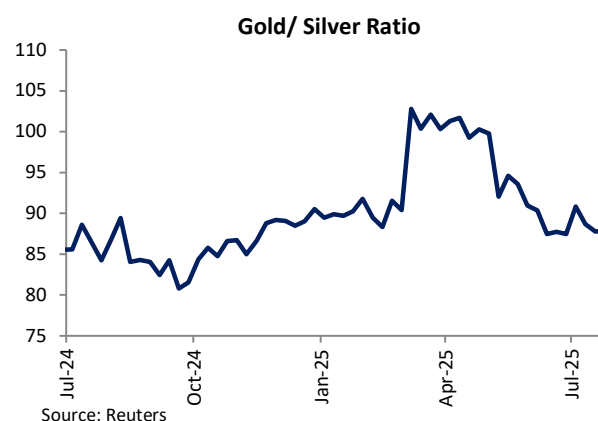
Previous week began with a brief rally in gold prices, driven initially by reports suggesting the U.S. might impose tariffs on Swiss gold exports. However, this optimism quickly evaporated after the White House clarified that such reports were inaccurate.

More significantly, optimism surrounding a potential ceasefire between Russia and Ukraine tempered gold's appeal as a safe haven. Presidents Donald Trump and Vladimir Putin met in Alaska to explore peace proposals, including discussions on possible land concessions by Russia. While the summit was pivotal, it left markets with considerable uncertainty. Key issues such as sanctions relief and the feasibility of the proposed peace deal remained unresolved. The discussions underscored the tenuous nature of the geopolitical environment and its nuanced impact on gold, which often benefits from heightened tensions.

Another notable development was the easing of U.S.-China trade tensions, which also exerted downward pressure on gold prices. The two economic giants agreed to extend a 90-day truce on tariffs, reducing immediate trade war anxieties. Additionally,

| Exchange | Gold | COMEX | MCX |
|------------|--------|--------|--------|
| Contract | Spot | | |
| Open | 3354 | 3347 | 100297 |
| Close | 3336 | 3335 | 99838 |
| Change | -19 | -104 | -1960 |
| % Change | -1.85% | -3.02% | -1.93% |
| Pivot | 3347 | 3340 | 99980 |
| Resistance | 3364 | 3351 | 100296 |
| Support | 3319 | 3324 | 99521 |

| Silver- Weekly Market Data | | | |
|----------------------------|--------|--------|--------|
| Exchange | Silver | COMEX | MCX |
| Open | 38.48 | 38.58 | 115239 |
| Close | 37.99 | 38.07 | 113943 |
| Change | -0.49 | -0.51 | -938 |
| % Change | -0.87% | -1.23% | -0.82% |
| Pivot | 38.18 | 38.24 | 114233 |
| Resistance | 38.55 | 38.61 | 115013 |
| Support | 37.62 | 37.69 | 113163 |





President Trump conditionally approved sales of Nvidia chips to China, a move perceived as a positive step toward stabilizing bilateral trade relations. These developments generally diminished the appeal of gold as a safe haven since trade conflict fears softened.

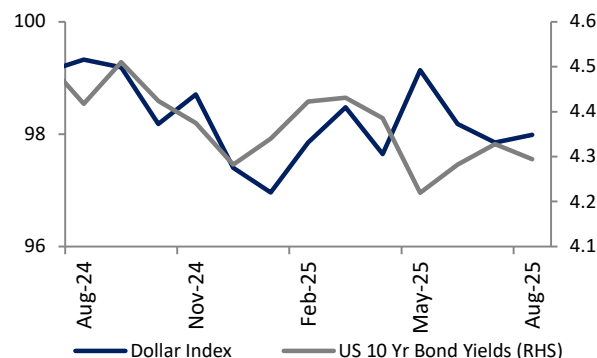
On data front, softer-than-expected U.S. Consumer Price Index (CPI) data bolstered dovish expectations for Federal Reserve monetary policy. According to the CME Fed-Watch Tool, the market assigned more than 95% probability to a 25 bps rate cut by the Fed in September. Treasury Secretary Bessent also hinted at the possibility of a larger 50 bps cut, further fueling expectations of accommodative policy.

However, the data landscape was mixed. Stronger-than-expected Producer Price Index (PPI) readings and other economic indicators injected uncertainty into the outlook. Consequently, the probability of a rate cut trimmed back to ~80%, reflecting some market hesitation about the pace and scale of Fed easing. This ambivalence added complexity to gold's price trajectory, as investors weighed conflicting signals.

Meanwhile, physical gold demand in Asia remained subdued due to persistently high prices. This region typically plays a critical role in driving global gold consumption, but elevated costs tempered buying interest, limiting support for prices from one of the market's most important segments.

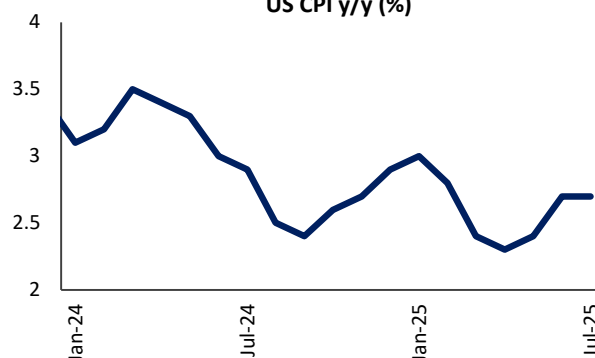
This week, market attention centres on key events that could drive volatility, including preliminary U.S. PMI data and Federal Reserve Chair Powell's speech at the Jackson Hole symposium. Investors will be keen for any signals on interest rate changes, especially hints of a rate cut, which could bolster dovish sentiment and support gold prices. On geopolitical front, following the Alaska summit, President Trump's upcoming meetings with Ukrainian President Zelensky and European leaders may significantly impact market sentiment. Progress toward a credible peace deal between Russia and Ukraine could improve risk appetite, reducing gold's safe-haven appeal and weighing on prices. Last week, gold prices fell amid easing geopolitical tensions, softer U.S.-China trade fears, and mixed economic data. Fluctuation in USDINR and Dollar index is also important to keep an eye on. Overall, this week's relatively light economic calendar is balanced by a packed schedule of high-profile events, which could trigger volatility in market. Gold could trade in a broad range, while Silver can trade with a buy on dips stance.

Dollar Index and US 10Y Yield



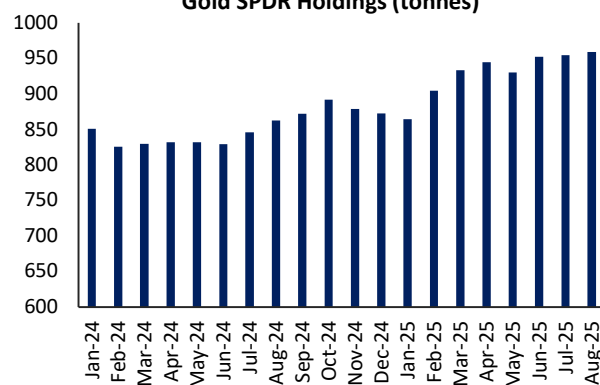
Source: Reuters

US CPI y/y (%)



Source: Reuters

Gold SPDR Holdings (tonnes)



Source: Reuters



Technical Levels:

Gold:

MCX Gold futures slipped by nearly ₹2,000 (around 2%) in the previous week as bulls failed to defend the psychological ₹1,01,400 resistance and prices pulled back from the upper end of the rising channel. Despite the decline, the overall structure remains sideways within a broad range of ₹1,03,000 on the upside and ₹97,000 on the downside. The metal is currently hovering near its short-term moving average and horizontal support trendline. As long as prices sustain above ₹97,000, the range-bound consolidation is likely to continue; only a decisive break on either side of the ₹1,03,000–₹97,000 band will dictate the next trending move.



Silver:

MCX Silver futures witnessed profit-booking in the previous week, slipping by more than ₹900 (-0.82%) from the recent swing high as prices struggled to sustain above the rising trendline resistance zone. Despite the minor pullback, the broader structure remains firmly bullish with higher highs and higher lows in place. The metal continues to trade above its ascending channel while attempting to form a cup & handle formation on the daily scale. Buy-on-dips near ₹1,11,000 is suggested for an upside move towards ₹1,19,000 in the coming weeks.





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