Monday, August 25, 2025

Overview

Gold prices started week on a softer note, influenced primarily by an ease off in geopolitical tensions and evolving expectations around global monetary policy. Early in the week, markets responded to reports suggesting that the U.S. might impose tariffs on Swiss gold, which initially triggered a dip in bullion prices. However, these concerns were quickly allayed after the White House clarified that the reports were false, prompting a partial retreat in the market's losses. This reversal helped stabilize gold prices temporarily but did not fully restore the metal's safe-haven allure.

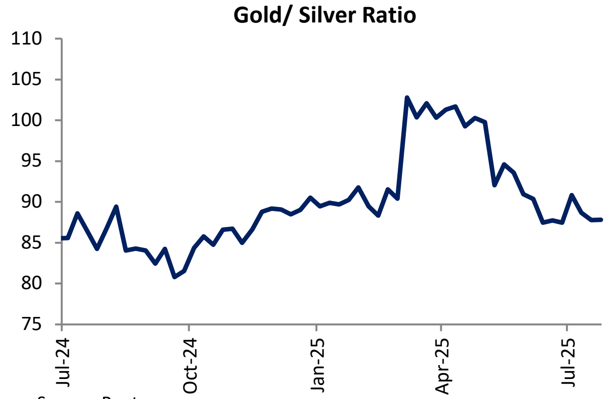
Adding to easing of geopolitical worries, optimism surrounding a possible ceasefire between Russia and Ukraine emerged. This optimism was fuelled by President Trump's unprecedented meetings with both Vladimir Putin and Volodymyr Zelensky, which created hopes for de-escalation in the conflict. As a result, demand for gold as a safe-haven asset waned, contributing further to subdued price action. Market participants appeared cautious, awaiting more definitive cues from key events slated later in the week.

A pivotal moment for markets came with Fed Chair Powell's address at Jackson Hole symposium. Powell's speech carried a dovish undertone that reinforced expectations for a rate cut at the Federal Reserve's upcoming September meeting. Notably, Powell mentioned the potential for a "change of tracks" in policy, pointing to signs that the U.S. labor market might loosen going forward. However, he also highlighted impact tariffs could have

Exchange	Gold	COMEX	MCX
Contract	Spot		
Open	3338	3343	99301
Close	3372	3378	100384
Change	33	36	546
% Change	1.08%	1.06%	0.55%
Pivot	3357	3361	100000
Resistance	3393	3399	100833
Support	3336	3340	99552

Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
Open	38.13	38.10	113743
Close	38.82	39.05	116236
Change	0.70	0.96	2293
% Change	2.19%	2.59%	2.01%
Pivot	38.52	38.61	115202
Resistance	39.37	39.54	117405
Support	37.97	38.12	114034

Gold/ Silver Ratio



Source: Reuters

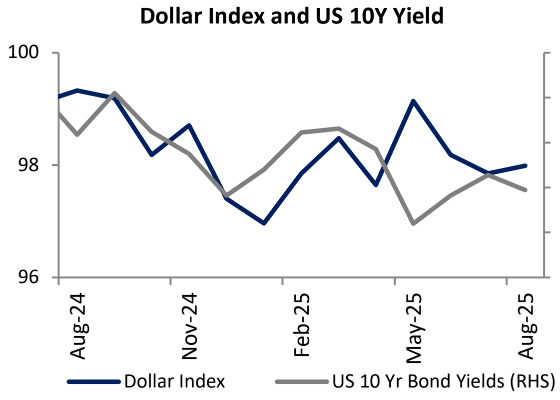
on inflation dynamics, suggesting that policy decisions would remain data-dependent. This nuanced message initially caused the probability of a 25-basis-point rate cut to slip from near certainty at 99% to around 84%, reflecting growing uncertainty among traders.

Following Powell's comments, market expectations quickly rebounded, with the likelihood of a September rate cut climbing back above 90%. This renewed confidence supported bullion prices, helping gold regain some of its earlier losses. However, as the weekend approached, these expectations dipped below the 90% mark once more, tempering some of the gains seen during the midweek rally. The fluctuating outlook underscored how closely gold's trajectory remains tied to central bank signals and evolving macroeconomic data.

President Trump in his speech also intensified market nerves by publicly demanding the resignation of Federal Reserve Governor Lisa Cook and warning of potential sanctions against Russia. These political manoeuvres contributed to bouts of volatility but ultimately had a muted impact on gold's overall trend. On domestic front, volatility in USDINR exchange rate and a generally stronger U.S. dollar capped upside potential for gold in early trading sessions. USDINR witnessed high swings in a broad range, we did witness it briefly falling below 87 however it quickly reversed from the same inching towards the all-time high. Meanwhile, dollar index did show some recovery hovering around 98.

Economic calendar remains packed with key data releases that could shape gold's near-term outlook. U.S. consumer confidence, GDP, and inflation data will be closely watched for signals regarding health of the economy and Federal Reserve's policy trajectory. Should inflation remain elevated and economy show resilience, likelihood of a rate cut in September could once again come into question, potentially dampening bullish sentiment in precious metals.

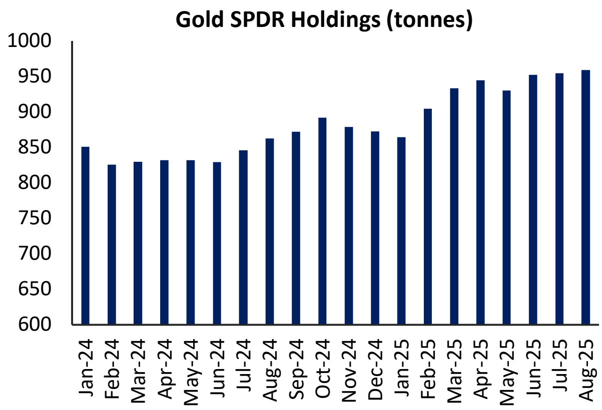
However, even in such a scenario, some profit-taking from recent price gains may be expected, especially if market participants reassess the pace and scale of monetary easing. On other hand, surprisingly dovish tone adopted by Powell at Jackson Hole has planted seeds for continued upside momentum in gold and silver. Also, if ceasefire talks between Russia and Ukraine do not go anywhere it might support prices on lower level. Both Gold and Silver could trade with a positive bias this week.



Source: Reuters

Probability Scenario for September meeting				
	Now	1 Day	1 Week	1 Month
		22-Aug-25	18-Aug-25	25-Jul-25
375-400	0.00%	0.00%	0.00%	2.60%
400-425	87.20%	84.70%	82.70%	61.90%
425-450 (Current)	12.80%	15.30%	17.30%	35.50%

Source: CME Fed watch tool



Source: Reuters

Technical Levels:

Gold:

Gold prices on MCX witnessed a positive momentum in the previous week, gaining more than ₹500 or around 0.55%. The price action indicates that gold continues to trade within an upward rising channel pattern, with support levels clearly placed near ₹1,00,000 (S1) and ₹97,000 (S2). On the higher side, immediate resistance is seen at ₹1,01,400 (R1), followed by ₹1,03,000 (R2). The recent bounce from the lower trendline support suggests buying interest on declines, while the moving averages are also providing a supportive bias. Overall, the broader trend remains constructive, and the strategy should be to buy on dips

Silver:

Silver prices on MCX posted strong gains in the previous week, rising by more than ₹2,200 or about 2.01%. The price action shows a breakout from a symmetric triangle, supported by higher lows on the daily chart, which indicates sustained buying momentum. Immediate support is now placed near ₹1,14,000 (S1), followed by ₹1,12,700 (S2), while resistance levels are seen at ₹1,16,800 (R1) and ₹1,18,500 (R2). The recent bullish candle formation signals strength, and the trend remains positive as long as prices hold above ₹1,12,700. The broader view remains constructive, and the preferred strategy would be to adopt a buy-on-dips approach, targeting higher levels towards ₹1,18,500 and eventually ₹1,20,000.

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