



Monday, September 08, 2025

Overview

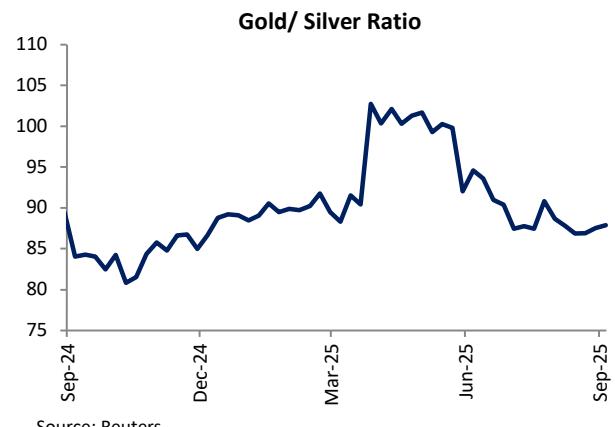
Last week marked a historic moment in the precious metals market as gold prices surged to fresh record highs both on the Comex and on domestic front. Silver also followed suit, reaching new peaks domestically and climbing to its highest level on the Comex since 2011. This significant upswing was largely fuelled by heightened safe-haven demand amid escalating geopolitical tensions, as well as increasing confidence that the U.S. Federal Reserve will move ahead with interest rate cuts as early as its upcoming September policy meeting. Investors are seeking refuge in bullion amid growing concerns over global economic stability and dovish central bank expectations.

Rally in precious metals was strengthened by a slew of weak labor market indicators from the United States. August non-farm payrolls data delivered a sharp disappointment, with job creation coming in at just 22,000—far below the estimate of 75,000. This significant miss was compounded by a rise in the U.S. unemployment rate to 4.3%, its highest level in nearly four years. These indicators suggest that the U.S. labor market is beginning to lose momentum, increasing pressure on the Federal Reserve to take accommodative action. As a result, markets have now fully priced in a 25-basis-point (bps) rate cut at the upcoming Fed meeting, with 10% probability also factoring a chance for a 50-bps cut.

Another major driver supporting gold prices last week was central bank buying, which continues to serve as a key pillar of long-term demand. Notably, China reported an increase in its gold reserves for the tenth consecutive month, a sign of sustained strategic

| Exchange | Gold | COMEX | MCX |
|------------|-------|-------|--------|
| Contract | Spot | Sep | Sep |
| Open | 3546 | 3568 | 106676 |
| Close | 3586 | 3613 | 107728 |
| Change | 40 | 181 | 5628 |
| % Change | 4.97% | 5.29% | 5.51% |
| Pivot | 3575 | 3598 | 107378 |
| Resistance | 3611 | 3628 | 108157 |
| Support | 3550 | 3583 | 106950 |

| Silver- Weekly Market Data | | | |
|----------------------------|--------|-------|--------|
| Exchange | Silver | COMEX | MCX |
| Open | 40.66 | 40.96 | 123330 |
| Close | 40.98 | 41.07 | 123497 |
| Change | 0.32 | 0.11 | 6323 |
| % Change | 4.89% | 4.81% | 5.40% |
| Pivot | 40.97 | 41.16 | 123449 |
| Resistance | 41.42 | 41.45 | 124398 |
| Support | 40.53 | 40.78 | 122548 |



accumulation by the world's second-largest economy. RBI is also reportedly increased their Gold reserves; while US treasuries holding is also losing its charm. Additionally, Poland's central bank proposed raising its gold reserve target from 20% to 30%, further indicating that gold remains a favored asset for monetary authorities seeking to hedge against currency volatility and inflationary risks.

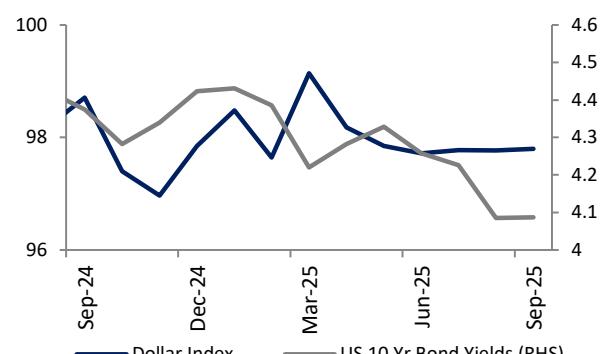
On investor front, sentiment has turned decidedly bullish. ETF inflows into gold last week were the highest seen since June 2023, suggesting that institutional and retail investors alike are increasing exposure to the metal. Speculators have also ramped up their bullish bets, with net long positions in gold futures rising by more than 20,000 contracts. This resurgence in speculative interest has helped reinforce the upward momentum in prices. Despite some episodes of profit booking toward the end of the week, gold prices remained firmly supported near the crucial \$3,600, positioning the metal for its best weekly performance in three months.

Looking ahead, the market's attention is turning to the upcoming U.S. inflation data, specifically the Consumer Price Index (CPI) and Producer Price Index (PPI) reports, which are due just before the Federal Reserve's policy meeting, next week. These reports will be crucial in shaping expectations for the Fed's next move. A softer-than-expected inflation reading would strengthen the case for monetary easing, likely putting further downward pressure on the U.S. dollar and extending the rally in gold and silver. Investors are watching closely, as these numbers could confirm whether inflation is easing enough to justify the widely anticipated 25-basis-point rate cut.

However, if inflation surprises on the upside, it may complicate the Fed's plans. Persistent price pressures could lead policymakers to adopt a more cautious approach, and influence Governor Powell's post-meeting remarks. A hawkish tone might cap gains in gold and silver, especially if the dollar gains strength amid expectations of tighter monetary conditions. Despite this, the weakening labor market, steady central bank demand, geo-political tensions, dovish market sentiment suggest bullion will remain well-supported. Bouts of profit booking could be seen however overall stance for both Gold and Silver remain on positive side.



Dollar Index and US 10Y Yield



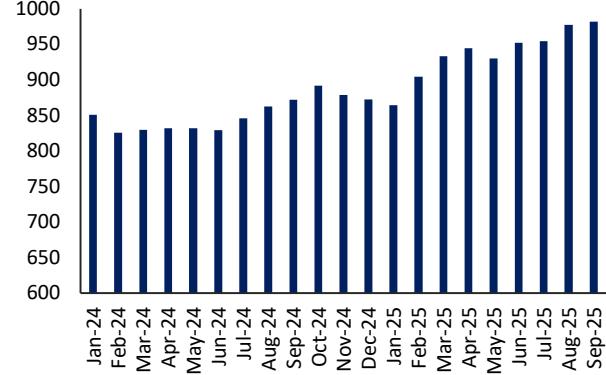
Source: Reuters

Fed interest rate probabilities (%) Current Rate: 425-450

| | 325-350 | 350-375 | 375-400 | 400-425 |
|------------|---------|---------|---------|---------|
| 9/17/2025 | - | - | 90 | 10 |
| 10/29/2025 | - | 7.7 | 71.6 | 20.7 |
| 12/10/2025 | 7 | 65.6 | 25.5 | 1.9 |

Source: CME Fed watch tool

Gold SPDR Holdings (tonnes)



Source: Reuters



Technical Levels:

Gold:

MCX Gold futures extended their bullish momentum in the previous week, rising by more than ₹3,900 or 3.76%, as strong global cues and robust buying interest pushed prices to fresh highs. The breakout above the consolidation channel highlights sustained strength, with the trend firmly in favor of the bulls. Key support levels are placed at ₹1,05,600 (S1) and ₹1,04,000 (S2), which are expected to cushion any corrective declines. On the higher side, resistance is seen at ₹1,08,300 (R1), followed by the next major hurdle at ₹1,10,000 (R2). The overall view remains positive, and any dips towards support levels should be considered as buying opportunities, with upside potential towards ₹1,10,000 in the near term.



Silver:

MCX Silver futures witnessed strong upward momentum in the previous week, gaining more than ₹4,000 or around 3.60%, supported by robust buying interest and positive sentiment across precious metals. The price action continues to trade within a well-defined ascending channel, indicating a sustained bullish trend. Currently, prices are consolidating near the upper band of the channel after a sharp rally, with immediate support placed at ₹1,20,800 (S1) and further downside cushion at ₹1,17,000 (S2). On the higher side, resistance is seen at ₹1,26,500 (R1), followed by the major target of ₹1,29,000 (R2). The overall outlook remains positive, and any dips towards support zones should be considered as buying opportunities, with targets set at ₹1,29,000 in the coming sessions.





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