



Monday, October 20, 2025

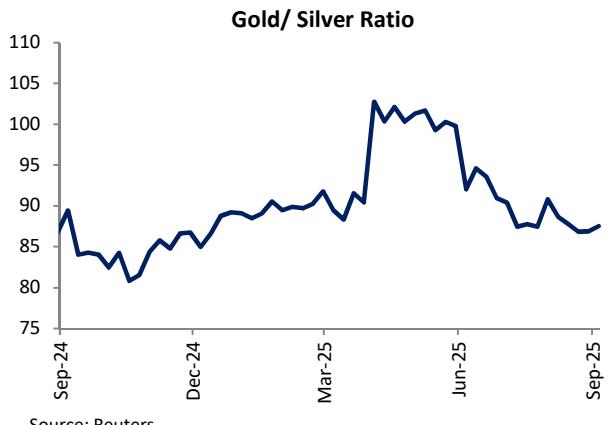
## Overview

Gold and silver continued their strong rally through most of last week, setting new all-time highs before witnessing a sharp pullback on the final trading day. Gold climbed close to the \$4,400 level, posting a remarkable gain of over 60% YTD, fueled by safe-haven demand amid renewed U.S.-China trade tensions, escalating geopolitical risks, and expectations of further interest rate cuts by the U.S. Federal Reserve. Silver, meanwhile, surged past \$52 on COMEX — a new lifetime high — driven by acute global supply shortages, backwardation in the futures market, and tightness in physical delivery, all of which pointed to overwhelming demand relative to available supply.

U.S.-China trade conflict remained a major driver of market sentiment. President Trump announced sweeping 100% tariffs on Chinese exports and imposed fresh export controls on critical U.S. software. In response, China expanded its export restrictions on rare earth elements and related technologies. The standoff escalated with reciprocal port fees and threats from the U.S. to target China's purchases of Russian oil. These retaliatory measures injected fresh uncertainty into global markets and prompted strategic asset reallocation into bullion, with investors seeking refuge from rising trade, economic, and political instability. However, President Trump appeared to moderate his tone later, suggesting that proposed 100% tariffs on Chinese goods may not be sustainable. This apparent shift added to market confusion, leaving investors uncertain about the administration's next moves.

Exchange	Gold	COMEX	MCX
Contract	Spot	Sep	Sep
Open	4328	4355	131026
Close	4249	4190	127008
Change	-79	214	5644
% Change	5.76%	5.38%	4.65%
Pivot	4271	4243	128420
Resistance	4356	4305	130882
Support	4164	4129	124545

Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
Open	54.14	53.22	168100
Close	51.85	49.86	156604
Change	-2.29	-3.35	10138
% Change	3.14%	6.23%	6.92%
Pivot	52.30	50.95	160240
Resistance	54.02	52.25	166779
Support	50.14	48.56	150064



On domestic front, India witnessed a shift in bullion purchasing trends during the Dhanteras festival. Record-high prices prompted many consumers to opt for coins and bars instead of jewellery, as an investment tool, than an occasion specific purchase. Meanwhile, India's gold reserves crossed the \$100 billion milestone for the first time, underscoring the growing strategic importance of the metal.

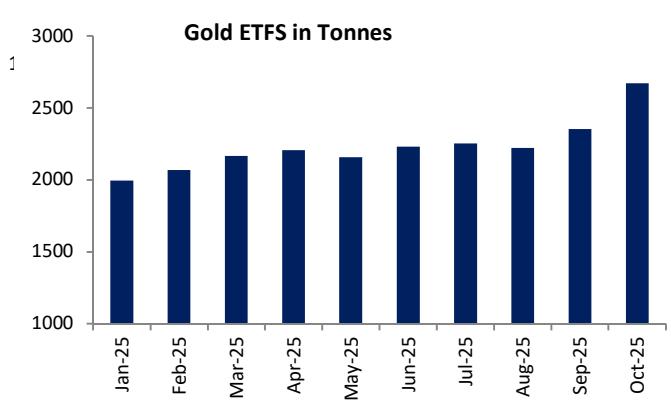
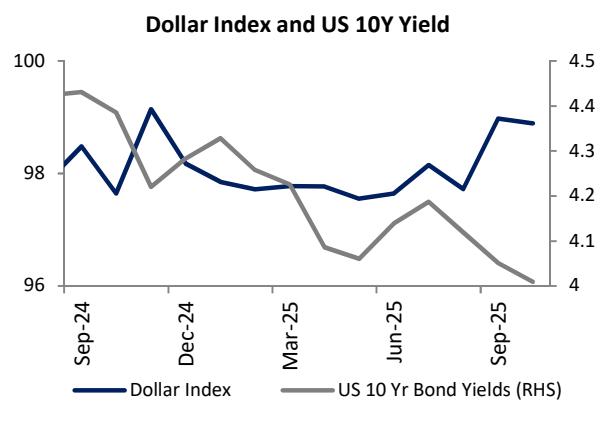
Despite the strong rally, both metals experienced profit booking towards the week's end. Silver, in particular, saw a sharp correction of over 5% in a single day as traders capitalized on the steep gains. While global supply remains tight and backwardation persists, domestic premiums and ETF inflows showed signs of easing, contributing to temporary price weakness on local exchanges.

The ongoing U.S. government shutdown, now stretching into its third week, is also beginning to take a toll on the economy and markets. According to some estimates, shutdown is costing the U.S. economy ~ \$15 billion per week, as federal operations stall and key services remain suspended. Economic impact is now being felt through delayed government spending, reduced consumer confidence, and halted regulatory functions. Moreover, the prolonged deadlock has already led to the postponement of major economic data releases — including CPI, jobs numbers, and retail sales — further clouding market's ability to gauge overall health of economy. Lack of data also limits the Federal Reserve's policy visibility and keeps investors leaning toward safer assets like gold and silver.

Meanwhile, Middle East geopolitical situation continues to be a key source of market tension. Ceasefire discussions held over the weekend — involving several global leaders including President Trump — failed to yield concrete results. Instead, fresh attacks were reported across several fronts, notably in the Israel-Hamas conflict and the ongoing war in Ukraine. The stalled diplomatic efforts and resumption of conflicts have further weighed on hopes for short-term peace in the region, pushing ceasefire talks to the side-lines. President Trump in fact requested Ukraine leader to agree to Russian Presidents terms or the war could be on-going.

### Outlook:

Looking ahead, focus this week will be on U.S. economic data and further guidance from Federal Reserve officials. However, ongoing government shutdown may delay key data releases, adding uncertainty to Fed's policy outlook. Governor Powell



Source: Reuters



recently emphasized that interest rate decisions will remain data-driven, noting challenges from a subdued labor market and persistent inflation. Despite gold and silver pulling back from recent highs, the core factors supporting the rally—trade tensions, geopolitical risks, economic uncertainty, and the extended U.S. shutdown—remain intact. Unless progress is made on ceasefire talks or the fiscal deadlock, safe-haven demand for bullion is expected to stay strong. This week, both Gold and Silver could trade in a broad range till market participants get some clarity on above mentioned factors.

### Technical Levels:

#### Gold:

MCX Gold extended its strong upward momentum last week, gaining more than 5,000 rupees or approximately 4.65%. Prices had been steadily climbing within a well-defined ascending channel since late Sept., reflecting a robust bullish trend. However, a sharp correction on Friday erased some of the week's gains, pulling prices down from the recent high near ₹131,000. This pullback has brought gold prices closer to the mid-channel support zone. The immediate resistance is now placed at ₹129,000 (R1), followed by recent peak at ₹131,000 (R2), while support levels are seen at ₹126,000 (S1) and ₹124,000 (S2). Despite recent dip, the overall trend remains positive, although some consolidation or mild profit-booking may occur before gold resumes its next leg higher.



#### Silver:

MCX Silver extended its winning streak last week, gaining nearly 7,000 points overall. Prices were on track for a strong 21,000-point weekly advance, but a sharp sell-off on Friday erased almost 14,000 points from the day's high. Technically, silver had been moving within a well-defined ascending channel since early August, reflecting a steady uptrend. However, recent correction from the upper band near ₹1,63,000 has pushed prices back toward the mid-channel zone. The immediate resistance now lies at ₹1,57,000 (R1), followed by ₹1,63,000 (R2), while support levels are seen at ₹1,51,000 (S1) and ₹1,48,000 (S2). Despite the sharp pullback, the broader trend remains constructive, though some consolidation or mild profit-booking cannot be ruled out before the next leg of the up move.





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