



Monday, May 25, 2026

Overview

Gold prices witnessed heightened volatility through the week as commodities markets reacted to rapidly changing developments surrounding the U.S.-Iran conflict, global inflation concerns, and shifting expectations around central bank policy. Bullion initially gained sharply as renewed optimism emerged over a possible peace agreement between US & Iran. Sentiment improved after U.S. President Trump stated that the framework for a peace deal had been “largely negotiated,” with reports suggesting the agreement could potentially extend the existing ceasefire and reopen shipping routes through the Strait of Hormuz. The easing of geopolitical tensions triggered a decline in crude oil prices, Treasury yields, and the U.S. dollar, all of which supported precious metals during the early part of the week.

However, optimism remained fragile as President Trump later clarified that there was “no hurry” to finalize the agreement and confirmed that the U.S. naval blockade against Iran would remain in place for the time being. Markets continued to monitor disagreements surrounding Iran’s nuclear program, sanctions relief, compensation for war damages, and U.S. demands regarding Tehran’s enriched uranium stockpiles. While hopes of de-escalation reduced immediate fears of an energy-driven inflation shock, investors remained cautious over possibility that negotiations could collapse and trigger renewed military escalation in region.

Gold prices later slipped to a one-and-a-half month low as rising global bond yields and a stronger U.S. dollar pressured non-yielding assets. U.S. 10Y Treasury yields climbed to a one-month high, while Japanese 10Y yields surged to their highest levels in nearly three decades as markets increasingly priced in the inflationary risks associated with elevated energy prices. Concerns over disruptions in Strait of Hormuz continued to keep

Exchange	Gold	COMEX	MCX
Open	4650	4655	160790
Close	4538	4562	158547
Change	16	-135	-1910
% Change	-2.48%	-2.79%	-1.24%
Pivot	4571	4582	159230
Resistance	4632	4650	160309
Support	4478	4494	157467

Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
Open	83.71	80.61	280000
Close	75.95	77.16	271886
Change	-7.75	-3.45	-12506
% Change	-6.33%	-6.63%	-4.86%
Pivot	78.50	77.93	274536
Resistance	81.31	79.85	280569
Support	73.14	75.24	265854



Source: Reuters

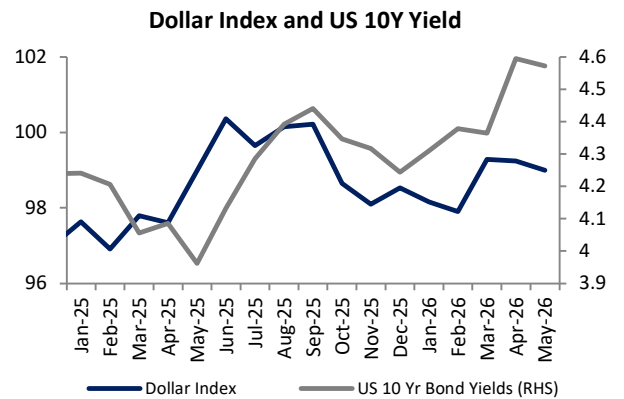
crude oil prices volatile, reinforcing fears that higher energy costs could sustain inflation across major economies and force central banks to maintain tighter monetary policy for longer. Recent US inflation data also reflected impact of higher energy prices, further strengthening expectations that inflation could remain sticky in the coming months.

Geopolitical tensions remained the key driver for bullion markets as reports suggested the U.S. and Israel were considering renewed military action if negotiations with Iran failed to progress. President Trump warned that the “clock was ticking” for Iran to accept a peace agreement, while Tehran continued to resist U.S. demands regarding its uranium stockpiles. However, gold recovered part of its losses midweek after Trump postponed a planned military strike and confirmed that “serious negotiations” were underway. The development eased crude oil prices, softened Treasury yields and the dollar, although uncertainty over a lasting agreement continued to keep bullion markets volatile.

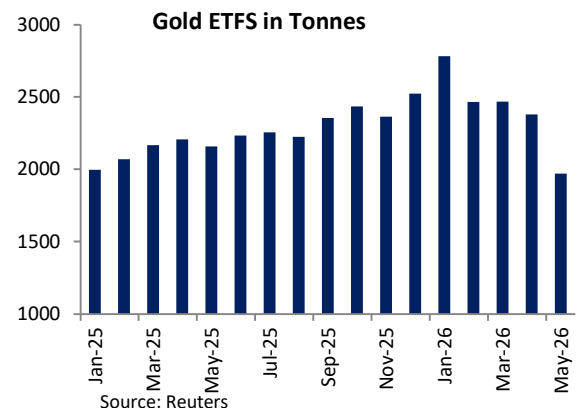
Institutional demand for bullion remained supportive despite broader macroeconomic headwinds. The World Gold Council estimated that global central bank gold purchases rose to 244 tonnes during the first quarter of 2026 compared to 208 tonnes in the previous quarter, highlighting continued demand for reserve diversification amid elevated geopolitical uncertainty and financial market volatility. Strong central bank buying continued to provide an underlying floor for gold prices even as rising bond yields reduced the attractiveness of non-yielding assets in the short term.

In India, the bullion market experienced a major policy shift after the government increased import duties on gold and silver from 6% to 15%, including 10% BCD and 5% AIDcee. The move was aimed at curbing precious metals imports, supporting foreign exchange reserves, and managing pressure arising from elevated crude oil prices and rupee weakness. Additionally, silver imports were shifted from the “Free” category to “Restricted,” tightening domestic supply conditions and creating significant volatility in MCX bullion prices

Meanwhile, inflation and interest rate expectations remained a major concern for bullion. Minutes from the latest Federal Reserve meeting showed policymakers remained open to rate hikes if inflation, stayed persistently above the Fed’s 2% target. Markets currently expect the Fed to maintain a cautious stance through the remainder of the year, although expectations for rate hikes during the second half of 2026 have increased.



Source: Reuters



Source: Reuters

Outlook:

Looking ahead, bullion markets are expected to remain highly sensitive to developments surrounding U.S.-Iran peace negotiations, movements in crude oil prices, and evolving global inflation expectations. Any confirmation of a ceasefire or reopening of the Strait of Hormuz could ease safe-haven demand and pressure gold prices, while renewed geopolitical tensions may trigger fresh upside momentum. Investors will also closely track U.S. GDP, data for clues on the Federal Reserve’s policy outlook, with elevated bond yields and rate hike expectations likely to keep volatility high across precious metals markets. Both Gold and Silver could trade in a broad range for the week.

Technical Levels:



MCX Gold has traded in a sideways range in the preceding week and has failed to give a trend direction. However, the metal is sustaining well above the key area of ₹1,55,500 which acts as strong support. As long as price holds above the same, we could see sideways-to-higher range for short-term however upside too will be capped at ₹1,63,575 as it will act as strong resistance area. Major trend confirmation will only be seen if price breaks and sustains above or below recommended range. Break above resistance will lead the prices higher towards ₹1,70,000 whereas break below support will test ₹1,49,050 area



MCX Silver after forming a bearish island reversal formation on the daily chart and has traded sideways-to-lower in the previous week. However, it failed to break below the immediate support of ₹2,65,000 and turned higher. Major support for the metal remains at ₹2,58,500 whereas resistance is capped at ₹2,79,000. Price sustained trade & daily close above resistance will resume positive move and could target ₹2,89,500. So, sideways consolidation within the given range will be seen and positive move will be confirmed only if price break and sustains above resistance area.

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