Monday, July 20, 2026

Overview

Gold witnessed one of its weakest performances in previous week, slipping ~3.5% and hovering near psychologically important $4,000 level as investors increasingly favoured U.S. dollar and interest-bearing assets. Decline came despite heightened geopolitical tensions in Middle East, highlighting concerns over persistent inflation and a prolonged restrictive monetary policy outweighed traditional safe-haven demand. Instead of benefiting from geopolitical uncertainty, bullion remained under pressure as rising crude oil prices lifted inflation expectations, pushing Treasury yields and Dollar index higher.

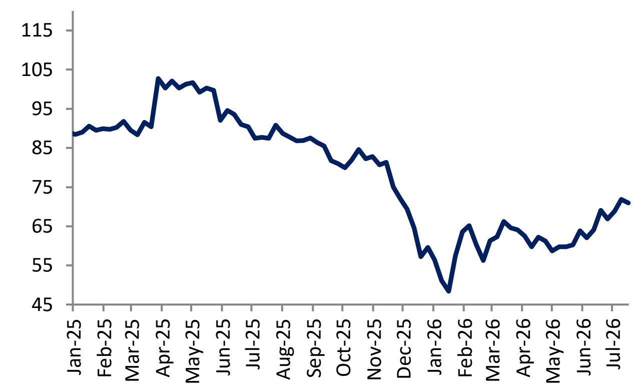
Fresh U.S. military strikes on Iranian targets, attacks on commercial vessels and an oil tanker near Iran's main export terminal, along with renewed disruptions around the Strait of Hormuz, significantly increased concerns over global energy supplies. Adding to market anxiety, President Trump announced reinstatement of a U.S. blockade on Iranian shipping in the Gulf, declared the US "Guardian of the Hormuz Strait," and proposed a 20% transit fee on cargo moving through one of the world's most critical energy corridors, which was later rescinded.

Although recent U.S. macroeconomic data painted a more balanced picture, financial markets largely focused on inflationary implications of higher oil prices rather than signs of slowing domestic demand. Consumer inflation and producer inflation readings continued to suggest that underlying price pressures were gradually easing, while weaker retail sales pointed to some moderation in consumer spending. However, markets largely discounted these softer economic indicators, believing that a sustained rise in energy prices could reverse recent progress on inflation and force policymakers to maintain restrictive monetary policy for longer.

Exchange	Gold	COMEX	MCX
Open	4121	4122	144890
Close	4120	4104	143478
Change	-1	-18	-3900
% Change	-1.31%	-0.44%	-2.65%
Pivot	4109	4107	143954
Resistance	4146	4123	144585
Support	4083	4088	142848

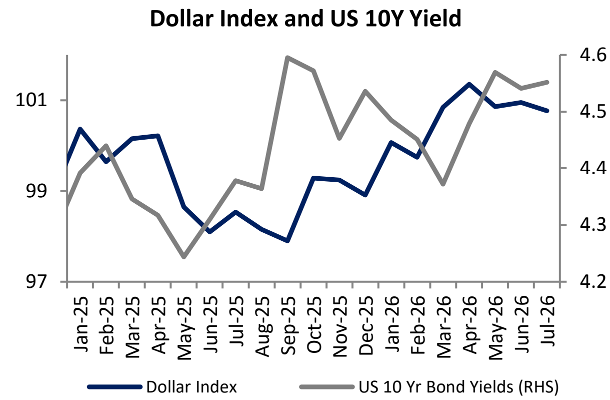
Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
Open	60.13	60.15	226368
Close	59.84	59.95	222664
Change	-0.29	-0.20	-14746
% Change	-4.10%	-0.33%	-6.21%
Pivot	59.78	60.03	223718
Resistance	60.81	60.80	225936
Support	58.82	59.17	220446

Gold/ Silver Ratio



Source: Reuters

Federal Reserve communication further reinforced this cautious outlook. Minutes from June FOMC meeting showed policymakers remained divided regarding need for additional tightening, but broadly acknowledged that inflation risks remain elevated. Fed chair Kevin Warsh, Governor Christopher Waller, and NY Fed President Williams all reiterated that policymakers require sustained evidence of moderating inflation before considering policy easing. Waller's comments that further rate hikes may be necessary if inflation broadens prompted markets to briefly raise the probability of a July rate hike to around 43%, strengthening both the U.S. dollar and Treasury yields and weighing further on gold prices.

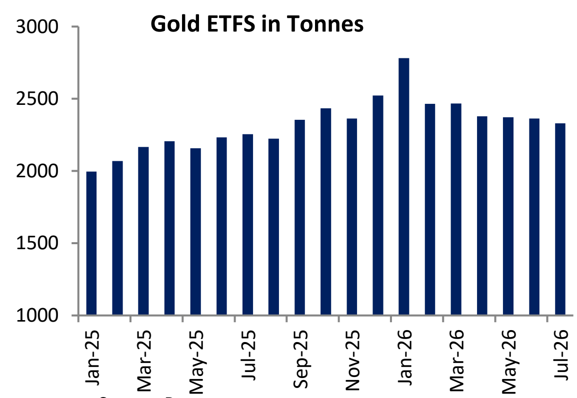


Source: Reuters

The People's Bank of China (PBoC) kept its one-year and five-year Loan Prime Rates unchanged, signalling a preference for policy stability while supporting country's economic recovery. In Japan, attention shifted to Bank of Japan (BOJ) after concerns emerged that the new government's economic blueprint could be perceived as influencing monetary policy. However, Economy Minister Minoru Kiuchi reiterated that government would not express any preference in advance regarding timing or direction of BOJ rate decisions, reaffirming central bank's independence. Clarification helped ease market concerns over potential political interference in monetary policy at a time when investors remain focused on Japan's rising bond yields and outlook for further policy normalization.

Despite recent price weakness, structural demand for gold remains relatively resilient. WGC’s recent report states that, central banks continued adding to their gold reserves during first half of 2026, underscoring their long-term commitment to portfolio diversification and reserve management despite elevated prices. The Council notes that official-sector demand remains an important pillar supporting the longer-term investment case for gold, even as short-term macroeconomic factors dominate price action.

Regional demand trends presented a mixed picture. In India, physical demand remained subdued due to elevated domestic prices, seasonal weakness and cautious consumer sentiment, although gold ETF inflows resumed in June after record profit-taking outflows in May. Gold imports moderated following the recent import duty hike, while jewellery demand is expected to recover from August as the festive season approaches. In China, investment demand remained relatively resilient despite softer jewellery consumption, reflecting continued investor interest amid broader economic uncertainty.



Source: Reuters

Outlook:

Looking ahead, investor attention will remain firmly focused on incoming inflation data, developments in crude oil markets and geopolitical headlines from the Middle East. Preliminary global PMI data, the European Central Bank's policy decision and further comments from Federal Reserve officials will also be closely monitored for clues on global growth and interest rate expectations. While geopolitical risks continue to offer intermittent safe-haven support, the near-term direction for gold is likely to remain closely tied to movements in the U.S. dollar, Treasury yields and crude oil prices. Should oil prices remain elevated and inflation expectations continue to rise, markets may further delay expectations of monetary easing, limiting upside potential for bullion.

Technical Levels:

MCX Gold has been trading close to critical support at ₹140300 on daily chart and has failed to break below the same multiple times marking it as strong zone. Any sustained break below the same on a daily closing basis will confirm further weakness in price for short-term and will lead the prices further lower towards ₹137500 – 136200 mark. Immediate resistance is at ₹142500 and a sustained break & close above will show an initial sign of short-term reversal. So, for medium term selling on sustained close below the support will be recommended.

MCX Silver has been trading in a falling channel forming lower highs and lower lows pattern which signifies weakness in price. However the counter has immediate strong support at ₹213000 and sustained break & close below the same on daily chart will confirm weakness and will lead the price further lower towards ₹210000 – 199500 levels. Immediate resistance is at ₹222500 and if price sustains and gives a daily close above the same then it will signify an early sign of short-term reversal. So, overall selling below support is recommended.

Navneet Damani	**Head Research- Currency and Commodities**	**navneet.damani@motilaloswal.com**
Manav Modi	**Analyst- Precious Metals**	**manav.modi@motilaloswal.com**

For any details contact:
Commodities Advisory Desk - +91 22 3958 3600
commoditiesresearch@motilaloswal.com

Commodity Disclosure & Disclaimer:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx

Terms & Conditions:

1. This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.
2. This material is for the personal information of the authorized recipient and we are not soliciting any action based upon it.
3. This report is not to be construed as an offer to sell or solicitation of an offer to buy any commodity or commodity derivative to any person in any jurisdiction where such an offer or solicitation would be illegal.
4. It is for the general information of clients of MOFSL. It doesn’t constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.
5. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL.
6. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate.
7. All such information and opinions are subject to change without notice.
8. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.
9. We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed.
10. Neither MOFSL, nor any person connected with it, accepts any liability arising from the use of this document.
11. The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the commodity referred to in this material may go up or down. Past performance is not a guide for future performance.
12. Certain transactions including those involving commodity derivatives involve substantial risk and are not suitable for all investors.
13. Reports based on technical analysis centers on studying charts of a commodity’s price movement and trading volume as opposed to focusing on a commodity’s fundamentals and as such may not match with a report on a commodity's fundamentals.
14. Proprietary trading desk of MOFSL or its associates maintains arm’s length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject commodity for which Research Team have expressed their views.
15. MOFSL or its associates or Research Analyst or his relatives may have Open Position in subject commodity.
16. A graph of daily closing prices of commodities is available at http://www.moneyline.co.in/
17. Opinions expressed are our current opinions as of the date appearing on this material only. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.
18. The commodities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.
19. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.

20. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the commodities mentioned in this document.
21. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein.
22. The commodities described herein may or may not be eligible for trade in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.
23. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors.
24. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may (a) from time to time, have long or short positions in, and buy or sell the commodities mentioned herein or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodity/ (ies) discussed herein or have other potential conflict of interest with respect to any recommendation and related information and opinions. However the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the commodities mentioned in the research report.
25. MOFSL and it's associates and Research Analyst have not received any compensation or other benefits in connection with the research report. Compensation of Research Analysts is not based on any brokerage transactions generated by broking activities under Motilal Oswal group.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.