Monday, July 27, 2026

Overview

Gold started the week with strong gains, climbing above $4,100 mark amidst signs of ease off in geopolitical uncertainty. Renewed military tensions across the Middle East, particularly involving US, Iran and Yemen's Houthi rebels, further dented bullions demand, continuing three consecutive weeks of weakness. However, rally was far from one-sided, as a stronger U.S. dollar, elevated Treasury yields and persistent concerns over inflation continued to limit upside momentum. Investors spent much of the week balancing rising geopolitical risks against expectations that the Federal Reserve could maintain a restrictive monetary policy, keeping volatility elevated across precious metals.

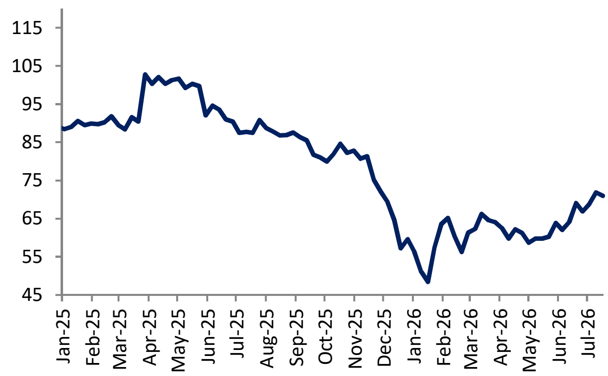
Developments in Middle East remained primary driver of market sentiment throughout the week. Fresh military exchanges near Strait of Hormuz, attacks on commercial vessels in Red Sea, and renewed threats from Iran-backed Houthi forces against regional shipping routes kept concerns over global energy supplies firmly in focus. Additional attacks along Russia's Black Sea coast further heightened fears of supply disruptions, supporting crude oil prices. Brent crude briefly traded above $100, reinforcing concerns- higher energy costs could slow global disinflation process. However, sentiment improved toward start of this week after President Trump announced a temporary pause in military operations against Iran to allow diplomatic efforts to continue.

Macroeconomic factors continued to dictate the broader trend. Stronger-than-expected U.S. labour market data, particularly another decline in initial jobless claims to multi-decade lows, reinforced confidence in resilience of US economy. Consequently, US 10Y yield climbed above 4.70%, while 2Y yield

Exchange	Gold	COMEX	MCX
Open	4047	4068	142392
Close	4053	4068	143106
Change	6	55	2200
% Change	0.89%	1.37%	1.56%
Pivot	4052	4068	142771
Resistance	4083	4068	143799
Support	4022	4068	142077

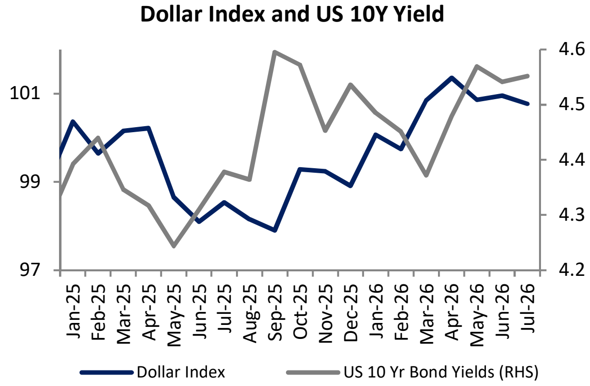
Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
Open	57.55	57.72	218280
Close	58.17	58.72	222138
Change	0.62	1.00	5735
% Change	4.05%	4.60%	2.65%
Pivot	58.07	58.39	220771
Resistance	59.07	59.34	224217
Support	57.16	57.77	218692

Gold/ Silver Ratio



Source: Reuters

approached 4.40%, supporting U.S. Dollar Index above 101 for much of the week.

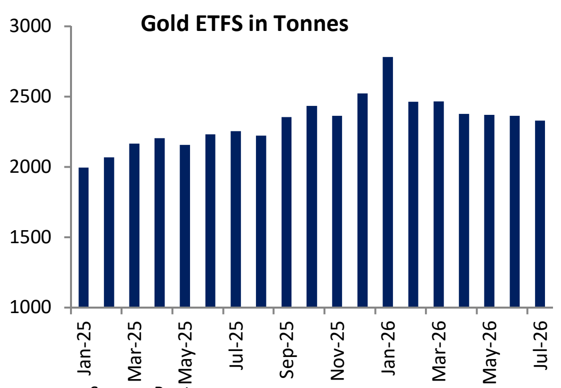


Source: Reuters

Attention increasingly shifted toward Fed policy meeting, which remains the most important macro event. Interest rates are widely expected to remain unchanged, but investors will closely scrutinize Chair Kevin Warsh's policy statement and press conference for clues on the future path of monetary policy. Markets continue to assign only a modest probability of an immediate rate hike, although policymakers are expected to maintain a cautious tone given lingering inflation risks and resilient economic activity. Market participants will also closely monitor upcoming U.S. inflation, employment and consumer spending data, which will play a crucial role in shaping interest rate expectations for the remainder of the year.

Trade policy also returned to the forefront after the U.S. administration announced new tariffs ranging between 10% and 12.5% on imports from several trading partners. The renewed tariff measures added another layer of uncertainty to the global economic outlook and raised concerns that supply-chain disruptions could contribute to future inflationary pressures. Combined with ongoing geopolitical tensions, these developments continued to support demand for portfolio hedges such as gold despite the headwind from higher interest rates.

Investment demand showed encouraging signs during the week. According to the latest data, holdings in global gold-backed ETFs recorded another week of net inflows as investors increased allocations to safe-haven assets amid rising geopolitical uncertainty and expensive global equity valuations. ETF demand has continued to stabilize following earlier profit-taking, suggesting institutional investors are gradually rebuilding strategic exposure to gold. At the same time, CFTC positioning data indicated that speculative money managers modestly increased their net long exposure in COMEX gold futures, reflecting improving investor confidence despite elevated interest-rate expectations. Although speculative positioning remains below the peaks seen earlier this year.



Source: Reuters

Physical demand remained relatively mixed across major consuming regions. Elevated prices continued to weigh on jewellery demand, particularly in price-sensitive markets, although investment demand through bars, coins and ETFs remained resilient. Central banks also continue to provide an important source of structural support for the gold market, with official-sector purchases remaining positive during the first half of the year as reserve diversification trends remain intact.

Outlook:

Looking ahead, focus will remain firmly on Federal Reserve's policy decision, Chair Kevin Warsh's guidance on inflation and interest rates, and latest U.S. macroeconomic data. Markets will also continue to monitor developments in the Middle East, particularly around the Strait of Hormuz and Red Sea shipping lanes, where any renewed escalation could quickly revive safe-haven demand and push energy prices higher. Conversely, sustained diplomatic progress, softer inflation data and further weakness in crude oil prices could reduce inflation fears and support expectations for future policy easing. In near term, gold is likely to remain highly sensitive to movements in the U.S. dollar, Treasury yields, crude oil prices and geopolitical headlines, with these factors expected to drive market direction over the coming week.

Technical Levels:

MCX Gold traded with positive bias since the start of the week marking a high of ₹146000, however the counter failed to sustain at higher levels and turned lower closing at ₹143106. Strong support for the counter remains around ₹139800 and bias looks sideways-to-positive as long as it holds above the same. Initial upside will be capped at ₹146000 and sustained break above the same will lead the rally towards ₹148000. So, buying on dip is recommended but our bias will negate below support on a sustainable basis

MCX Silver also traded with positive bias since the start of the week marking a high of ₹228984, however the metal failed to sustain and turned lower closing at ₹222138. Strong support for the metal is placed at ₹213000 whereas recent high will act as strong resistance which coincides with the upper bound of the falling channel. As long as price holds above the support, bias looks sideways-to-positive and dip buying is recommended. Price sustained break above the resistance will lead the move toward ₹233000 mark. However, our bias will be invalidated if price breaks below support on a sustainable basis.

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