

Monday, September 21, 2026

Overview

Gold and Silver witnessed a highly volatile week as markets navigated the Federal Reserve's first interest-rate hike in three years, elevated Treasury yields, persistent Middle East tensions and sharp swings in crude oil prices. Bullion initially remained under pressure as hotter inflation readings and energy prices above $100 strengthened expectations of renewed monetary tightening. Bullion slipped toward a six-week low around the Fed decision before recovering as the policy action was largely discounted and Treasury yields eased from their highs. The broader movement highlighted the competing forces influencing bullion, with elevated real-rate expectations limiting upside while geopolitical uncertainty, fiscal concerns and easing yields continued to provide underlying support.

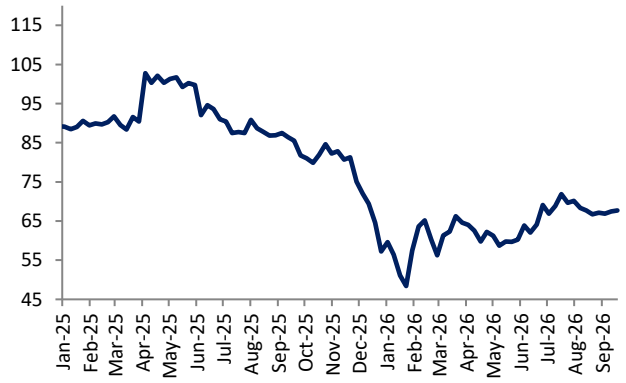
Monetary policy remained the dominant driver as the Federal Reserve unanimously raised the federal funds rate by 25bps to 3.75%–4.00%. Decision was widely anticipated after stronger inflation data, elevated energy prices and a sharp rise in US yields had pushed market expectations for a hike close to 90%. Fed Chair Warsh maintained a hawkish stance, reiterating that inflation remains too high and emphasizing central bank's commitment to restore price stability. However, Chair Warsh avoided committing to a predefined policy path and did not submit his own dot, limiting the strength of forward guidance.

Summary of Economic Projections reinforced expectations that monetary policy could remain restrictive for longer, although it did not signal an aggressive tightening cycle. The median federal funds rate was projected at 4.1% for both 2026 and 2027, before easing to 3.9% in 2028 and 3.6% in 2029. This implies limited additional tightening from current levels, with another increase possible before year-end. Interestingly, despite elevated energy

Exchange	Gold	COMEX	MCX
Open	4342	4347	152250
Close	4377	4391	154381
Change	35	16	1597
% Change	0.68%	0.36%	1.05%
Pivot	4370	4378	153717
Resistance	4406	4418	155264
Support	4341	4351	152835

Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
Open	65.41	65.35	238478
Close	66.23	66.62	241603
Change	0.82	1.27	6629
% Change	2.76%	2.99%	2.82%
Pivot	66.25	66.40	240941
Resistance	67.31	67.45	243709
Support	65.18	65.57	238835

Gold/ Silver Ratio



Source: LSEG

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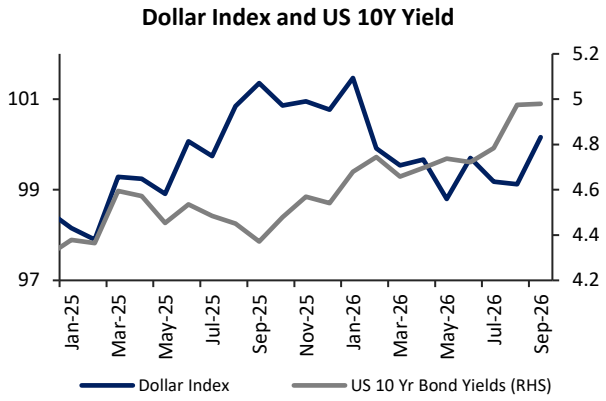
prices and persistent geopolitical uncertainty, policymakers continue to project a meaningful moderation in inflation. Headline PCE inflation is expected to ease from 3.7% in 2026 to 2.3% in 2027 and eventually return toward 2% by 2029, while core inflation is also projected to gradually soften.

Treasury yields remained particularly important for bullion. The benchmark 10Y yield approached and briefly moved above the psychologically important 5% level as markets priced tighter monetary policy and persistent inflation risks. However, yields initially declined following Fed decision despite rate hike and hawkish messaging, suggesting that a significant amount of tightening had already been discounted. Gold consequently avoided deeper correction following the policy announcement. Real yields remain more important than the nominal policy rate for bullion, and unless nominal yields rise materially faster than inflation expectations, the pressure on gold could remain relatively contained despite additional monetary tightening.

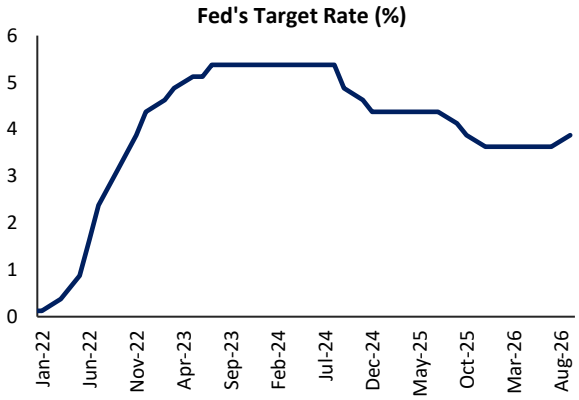
Energy markets continued to play a dual role for precious metals. Crude oil prices remained elevated early in the week as disruptions to Middle Eastern supply routes intensified concerns over inflation. Attacks on Saudi Arabia's East-West Pipeline temporarily removed an important alternative route to the Strait of Hormuz, while continued tensions involving Iran and Houthi forces reinforced fears of prolonged disruptions. Higher energy prices strengthened inflation expectations and consequently increased the probability of additional Fed tightening, creating a headwind for gold despite the simultaneous increase in geopolitical safe-haven demand.

However, crude oil prices subsequently eased for several consecutive sessions as prospects of diplomatic progress between U.S. and Iran improved and expectations increased that Saudi Arabia could partially restore flows through affected infrastructure. Possibility of diplomatic engagement between Washington and Tehran also reduced some of the geopolitical risk premium, although renewed Houthi attacks and continued threats between the U.S. and Iran suggest that Middle East uncertainty remains far from resolved.

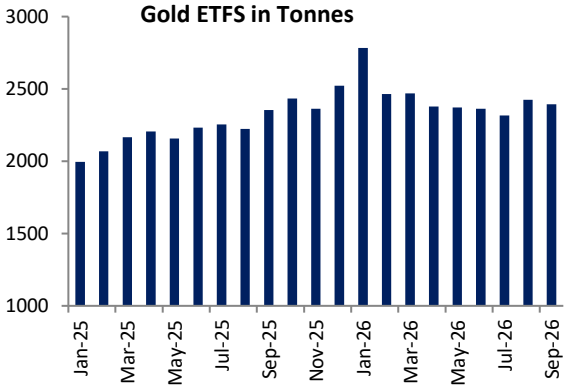
Global monetary policy also remained in focus as the Bank of Japan raised interest rates by 25 bps to 1.25%, the highest level since 1995. The move had been largely front-run by markets, limiting the immediate reaction, although the BOJ maintained a relatively hawkish stance. Further normalization in Japanese monetary policy could support the yen and potentially weigh on the U.S. dollar, providing an indirect supportive factor for gold. The broader shift toward tighter global monetary conditions nevertheless remains an important headwind, particularly if higher policy rates translate into sustained increases in real yields.



Source: LSEG



Source: LSEG



Source: LSEG

Outlook:

Overall, gold remains caught between renewed monetary tightening and persistent macroeconomic and geopolitical uncertainty. The Fed's rate hike and projections for additional tightening keep real yields and the opportunity cost of holding non-yielding bullion in focus, but the relatively measured Treasury-market reaction suggests that much of the near-term tightening has already been priced in. At the same time, Middle East tensions, fiscal concerns, uncertainty surrounding U.S.-China relations and the longer-term debasement narrative continue to provide structural support. Near-term direction is therefore likely to remain sensitive to movements in Treasury yields, crude oil, inflation expectations and the dollar, with real yields remaining the most important transmission channel for gold.

Technical Levels:



Since the start of the previous week we have seen a good recovery in MCX Gold from the lower levels and the counter is likely to continue its sideways-to-positive move in the upcoming trading sessions. Immediate resistance is capped at ₹154500 and price sustained break above the same will lead the rally towards ₹157250 mark. Strong short-term support is placed at ₹149600. So overall bias looks positive for the counter and dip buying is recommended. Our bias will negate only if price break and sustains below recommended support.



MCX Silver has reversed strongly in the previous week after falling from its peak and is now likely to continue its positive move for short-term. Immediate strong support is placed at ₹239500 and overall bias looks positive as long as price holds above the same. Price sustained break above recent high around ₹243050 will lead the rally towards ₹244700 – 248800 mark. So, dip buying is recommended but our bias for the counter will negate if price break and sustains below support.

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