

Monday, September 28, 2026

Overview

Gold remained under pressure during the week after some recovery, as elevated Treasury yields, stronger U.S. economic activity and growing expectations of further Fed tightening outweighed safe-haven demand from persistent geopolitical uncertainty. Bullion attempted to stabilize above $4,350 early in the week as crude oil prices eased and prospects of diplomatic progress between the U.S. and Iran improved. However, recovery proved short-lived as stronger economic data, renewed volatility in energy markets and hawkish Fed commentary pushed Treasury yields higher, put significant pressure on Gold and Silver.

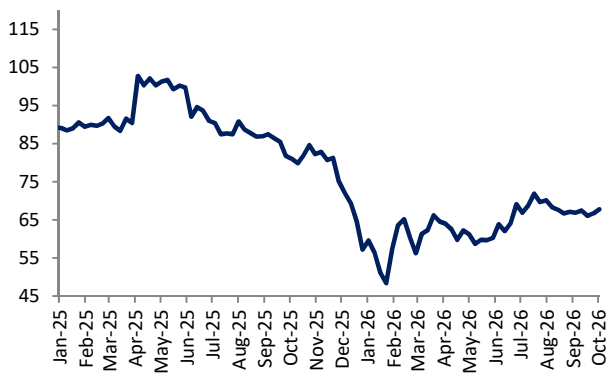
Monetary policy remained dominant headwind following Fed's recent 25 bps rate hike to 3.75%–4.00%. Although, move itself had been largely discounted, attention quickly shifted toward the possibility of additional tightening. Fed officials continued to emphasize persistent inflation risks and the need to maintain sufficient monetary restraint, strengthening expectations that the September increase may not be an isolated move. Markets increasingly priced another rate hike in the coming meetings, with expectations for an October increase rising sharply during the week as energy prices and resilient economic activity complicated the inflation outlook. According the CME fed watch tool, probability for a rate hike in October and December is more than 50% and in total four rate hikes probability is starting to get digested in 2026 and 2027.

Treasury yields remained a major headwind for gold, with the 10Y yield moving above 5% as markets priced further Fed tightening, persistent inflation and growing U.S. fiscal concerns. Impact is increasingly spreading into the broader economy, with 30Y mortgage rates rising above 7% and higher treasury yields feeding into corporate, auto and other lending rates. With U.S. Fed debt exceeding $40 tln, higher yields also increase

Exchange	Gold	COMEX	MCX
Open	4279	4279	151010
Close	4286	4288	150881
Change	8	-103	-3500
% Change	-2.07%	-2.34%	-2.27%
Pivot	4285	4287	151097
Resistance	4317	4318	151784
Support	4255	4257	150195

Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
Open	63.84	63.65	233736
Close	64.28	64.27	234696
Change	0.44	0.62	-6907
% Change	-2.95%	-3.52%	-2.86%
Pivot	64.23	64.16	234765
Resistance	65.13	64.98	237131
Support	63.38	63.46	232331

Gold/ Silver Ratio



Source: LSEG

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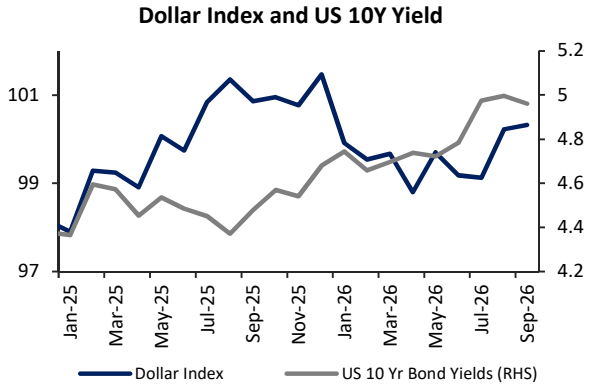
government refinancing & interest costs, potentially requiring greater Treasury issuance. While elevated real yields remain negative for gold near term, rising debt-servicing costs and tighter financial conditions strengthen longer-term fiscal and debasement concerns.

Yield curve also continued to flatten as shorter-term yields remained sensitive to expectations of further Fed hikes while longer-term yields reflected a combination of inflation, growth and fiscal risks. The movement highlights an unusual backdrop for gold, where geopolitical uncertainty is simultaneously supporting safe-haven demand while contributing to higher energy prices and inflation expectations. This, in turn, strengthens the case for tighter monetary policy and higher real yields, partially offsetting the traditional positive impact of geopolitical tensions on bullion.

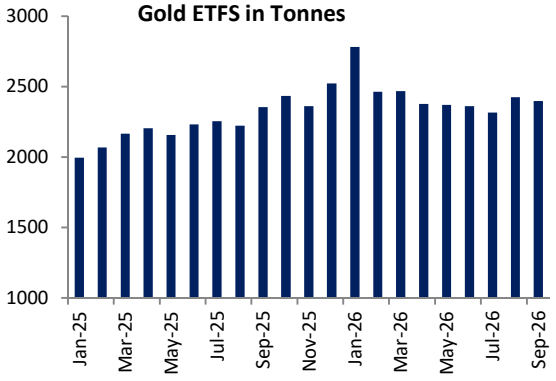
Crude oil remained a major influence on gold throughout the week. Prices initially declined as improving Saudi supply prospects and hopes of diplomatic progress between Washington and Tehran reduced the immediate supply-risk premium. Saudi Arabia restarted its East-West pipeline, improving its ability to redirect crude toward the Red Sea, while additional Iraqi exports through Turkey and alternative shipping routes helped ease concerns around global availability. Iran maintained its conditions for reopening the waterway, while the U.S. rejected the former's proposed timeline, keeping a key global energy route constrained. Negotiators explored a phased arrangement under which Iran could reopen Hormuz in exchange for an easing of U.S. economic restrictions, but neither side appeared willing to surrender its leverage first.

Stronger U.S. economic indicators added another layer of pressure on bullion. Resilient business activity and broader evidence of economic strength reduced expectations that tighter financial conditions would quickly weaken growth. This strengthened the argument that the Fed has room to maintain restrictive policy or raise rates further if inflation remains elevated. Stronger growth expectations, alongside government debt concerns and additional tightening expectations, also contributed to upward pressure on long-term Treasury yields.

Chinese demand, meanwhile, continues to provide structural support for bullion despite elevated prices. The PBoC added around 20t of gold in its latest reported monthly purchase, taking official holdings to approximately 2,387t and extending its accumulation trend. However, physical jewellery demand remains comparatively softer due to high prices.



Source: LSEG



Source: LSEG

Outlook:

Overall, gold remains caught between persistent geopolitical and fiscal uncertainty on one side and rising real yields, tighter monetary policy and a firm dollar on the other. The recent correction suggests that inflationary consequences of geopolitical tensions are currently outweighing their traditional safe-haven benefit, as elevated energy prices increase expectations of additional Fed tightening. Until there is greater clarity on U.S.-Iran negotiations, Strait of Hormuz flows and the Fed's next policy move, gold could remain volatile and sensitive to movements in oil and Treasury yields. A sustained moderation in energy prices and real yields could provide room for recovery, while renewed oil strength and further hawkish repricing remain the primary downside risks.

Technical Levels:



In the previous week, Gold prices declined by almost 2%. Prices have now witnessed a sharp breakdown on the breach of a descending triangle pattern on the lower side. Rs. 1,42,000 is the next immediate support however the key resistance is now observed near Rs. 1,51,000 level. The 14-period RSI on 4-hourly chart chart is trading below oversold 30 mark indicating selling pressure. Prices are convincingly trading below 20 period SMA level. There is a possibility for it to trade with a bearish bias leading to a negative directional move.



During the previous week, silver prices declined by nearly 3%. Prices are trading in a series of lower high & lower low structure. The immediate key resistance is now observed near Rs. 2,36,000 mark. However, key immediate support is placed near Rs. 2,10,000 level. The 14-period RSI on the 4-hourly chart is trading below midpoint mark of 50 indicating weakness. Prices are convincingly trading below 20 period SMA level. There is a possibility for it to trade in the lower range for the week going forward with the bearish bias on the back of symmetrical triangle pattern breakdown.

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