


**Monday, October 19, 2026**

## Overview

Gold and silver remained volatile during the week as markets balanced hotter U.S. inflation and expectations of further Fed tightening against falling Treasury yields, equity-market weakness and persistent safe-haven demand. Precious metals initially remained under pressure amidst elevated crude oil prices, a firm dollar and rising Treasury yields strengthened inflation concerns, but the latter half of the week saw renewed support as investors moved toward government bonds following a sharp correction across U.S. equities.

| Exchange | Gold | COMEX | MCX |
|---|---|---|---|
| Open | 4169 | 4170 | 147781 |
| Close | 4165 | 4160 | 147918 |
| Change | -4 | -32 | -3581 |
| % Change | -0.69% | -0.75% | -2.36% |
| Pivot | 4170 | 4169 | 148090 |
| Resistance | 4193 | 4168 | 148661 |
| Support | 4142 | 4161 | 147348 |

U.S. inflation remained dominant macroeconomic trigger. Sept. CPI increased 0.6% m/m, accelerating from 0.4% previously, while annual inflation rose to 3.7% from 3.4%. Gasoline prices jumped sharply and accounted for a significant portion of the monthly increase, highlighting the transmission of elevated energy prices into consumer inflation. Stronger reading initially triggered a significant repricing of Fed expectations, with probability of the Fed keeping rates unchanged at its October meeting falling sharply, while markets moved toward almost fully pricing another hike by December.

| Silver- Weekly Market Data | | | |
|---|---|---|---|
| Exchange | Silver | COMEX | MCX |
| Open | 57.44 | 57.02 | 211792 |
| Close | 57.01 | 57.00 | 211187 |
| Change | -0.43 | -0.02 | -14568 |
| % Change | -6.25% | -6.06% | -6.45% |
| Pivot | 57.29 | 57.01 | 211959 |
| Resistance | 57.71 | 57.00 | 213218 |
| Support | 56.59 | 57.00 | 209928 |

Initial reaction was particularly negative for gold and silver because of its greater sensitivity to changes in real yields, dollar and broader risk sentiment. Silver fell more than 4% following the inflation release, briefly moving below $56, while gold also came under significant pressure. However, bullion proved relatively resilient considering the broader rates backdrop. U.S. 10Y real yields have risen substantially since September, yet gold continues to hold above $4,100 region. This suggests that investors are increasingly interpreting part of rise in longer-term yields as a reflection of fiscal and debt-sustainability concerns rather than purely stronger economic growth.

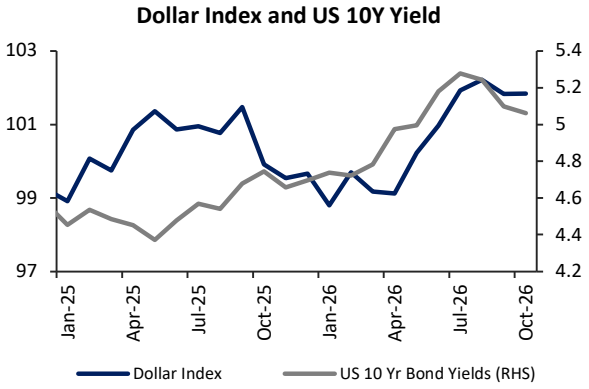
**Gold/ Silver Ratio**




Source: LSEG

Second half of the week saw an important reversal in rates. A

sharp selloff across U.S. equities increased demand for Treasuries as investors sought defensive assets, pushing the 10Y yield lower from its highs. Dollar also retreated after reaching its strongest level since Apr'25. This helped gold recover more than 1% from its lows. Silver also rebounded, although its recovery remained comparatively restrained as concerns surrounding economic growth and demand continued to weigh alongside the monetary-policy outlook.

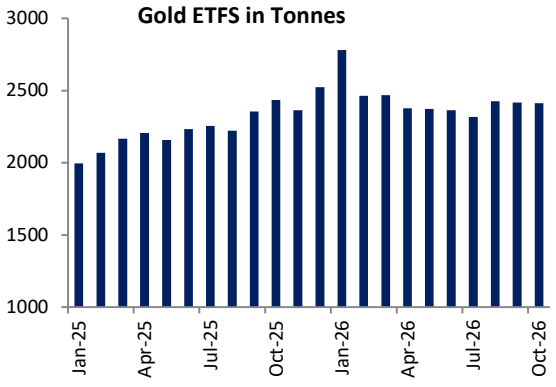



Source: LSEG

Fed communication provided additional relief. Chair Kevin Warsh and other policymakers continued to acknowledge elevated inflation risks but avoided signalling an aggressive sequence of rate increases. Expectations of an immediate October hike consequently moderated again, even as another increase later this year remains possible. The combination of hotter inflation but increasingly cautious guidance has created a difficult environment for precious metals: inflation itself supports demand for hard assets, but the policy response through higher rates and real yields remains a near-term headwind. Upcoming inflation, labour-market and activity data will therefore remain critical in determining whether the Fed delivers another hike before year-end.

Investment flows continue to provide important counterweight to rates environment. Gold ETF holdings increased by ~187 tonnes during August and September, with demand broadening across developed and emerging markets. Chinese investment demand also remains strong. Chinese gold ETFs added ~11 tonnes in September, taking total holdings to a record 304 tonnes. The People's Bank of China purchased another 23 tonnes during September, its largest monthly addition since October 2023, taking Q3 purchases to 63 tonnes and extending its accumulation streak to 23 consecutive months.

Physical demand presents a more mixed picture. Chinese wholesale demand improved seasonally ahead of holiday period, with SGE withdrawals rising sharply from August, although volumes remained below year-earlier levels as elevated prices continued to restrict jewellery consumption. This reinforces the changing composition of gold demand, where investment diversification and central-bank accumulation are increasingly providing support even when traditional price-sensitive jewellery demand weakens.




Source: LSEG

Domestic bullion prices faced an additional currency headwind during the week. USDINR moved below 95 before stabilizing, amplified impact of weaker international bullion prices and limited benefit from subsequent overseas recoveries. Domestic investment sentiment was also affected by SEBI's direction to halt fresh subscriptions in gold and silver FoF's potentially moderating incremental flows into these products around festive period.

**Outlook:**

Overall, gold continues to display notable resilience despite elevated real yields and a relatively firm dollar, reflecting strong investment demand, central-bank purchases, fiscal concerns and continued geopolitical uncertainty. Silver retains stronger long-term supply-demand fundamentals but, remains more vulnerable to changes in risk appetite and economic-growth expectations. Near term, both metals remain caught between persistent inflation and the possibility of another Fed hike on one side, and fiscal concerns, falling yields during risk-off periods and strong investment demand on the other. A sustained decline in Treasury and real yields could provide the foundation for a stronger bullion recovery, while renewed yield and dollar strength remains the principal near-term downside risk.

**Technical Levels:**




MCX Gold on daily chart broke the previous support of ₹148500 however the counter failed to extend its weakness and reversed above the rising trend line. Now strong supports are placed at ₹147,000 – 145,600 whereas immediate resistance is capped at ₹149,700. As long as supports are held, we can expect sideways-to-higher move however upside too will be capped at the immediate resistance. Upside will be extended only if price break above resistance and it could target ₹151,900 mark. So, buying is advised but our bias will negate below support.




MCX Silver has given a breakdown below the previous support and marked a new low of ₹207,971. However, the counter reversed from its recent low and is indicating some more strength in price in the upcoming trading sessions. Immediate resistance zone is at ₹214,750 whereas critical resistance is at ₹219,000. Initial short covering looks possible but upside will be capped towards the resistance mark. So, dip buying is recommended but our bias will negate below support and downside could extend further.

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