

Monday, October 26, 2026

Overview

Gold witnessed a sharp correction last week, falling more than 4% and briefly slipping below the psychological $4,000 for first time since July. Decline came despite persistent geopolitical uncertainty, as the market's immediate focus shifted towards elevated energy prices, sticky U.S. inflation and the possibility of another Fed rate hike before year-end. Gold's inability to benefit meaningfully from geopolitical risk reflected the dominance of rates narrative: higher oil prices increased inflation concerns, while elevated Treasury and real yields raised the opportunity cost of holding non-yielding bullion. Nevertheless, longer-term investment demand, central-bank accumulation and fiscal uncertainty continued to provide underlying support.

Energy prices remained one of the most important macro drivers. Crude gained more than 6% during week as continued Middle East supply risks and disruptions surrounding key shipping routes reinforced concerns over global energy availability. Some relief emerged from developments surrounding Russia and Ukraine, after Trump administration announced an energy ceasefire intended to limit attacks on energy infrastructure, alongside plans involving purchases of Russian diesel. However, uncertainty over implementation remained high after Ukraine accused Russia of violating arrangement.

U.S. inflation remained central to the monetary-policy outlook. September CPI and PPI data came in stronger than markets had anticipated, reinforcing concerns that inflation was becoming increasingly difficult to bring sustainably back towards the Fed's 2% objective. Stronger inflation readings, combined with elevated energy prices, significantly altered rate expectations during October. By the end of the week, markets were assigning a high probability to the Fed leaving rates unchanged at its 27–28 October meeting. Current pricing indicates roughly an 88%

Exchange	Gold	COMEX	MCX
Open	4024	4001	142058
Close	3996	3991	142024
Change	-29	-168	-5894
% Change	-4.07%	-4.05%	-3.98%
Pivot	4002	3994	142161
Resistance	4028	3998	142988
Support	3969	3987	141197

Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
Open	54.62	53.91	196587
Close	53.89	53.75	195719
Change	-0.72	-0.16	-15468
% Change	-5.46%	-5.85%	-7.32%
Pivot	53.88	53.62	195396
Resistance	54.75	54.27	198643
Support	53.03	53.11	192472

Gold/ Silver Ratio

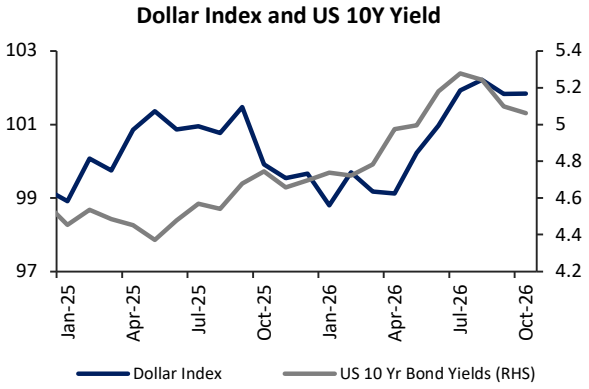


Source: LSEG

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probability of an Oct hold, compared with only ~29% a month earlier. Attention has therefore shifted towards December, where another rate increase remains a meaningful possibility.

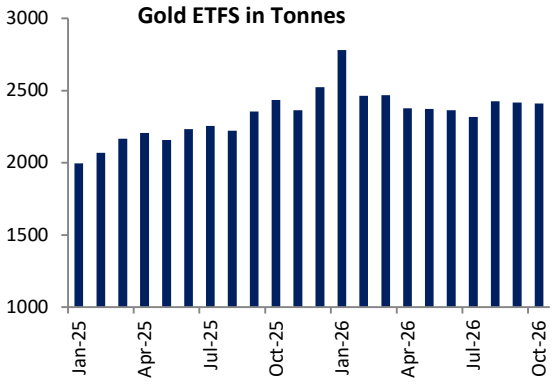
Upcoming Fed meeting will consequently be less about the October decision itself and more about Chair Kevin Warsh's guidance regarding December and the broader trajectory for rates. Elevated Treasury yields continue to restrict gold's upside, with the 10Y yield remaining around the important 5% region. Higher long-term yields are no longer being interpreted purely as evidence of stronger economic growth or tighter monetary policy; growing concerns surrounding U.S. fiscal deficits, debt servicing and Treasury supply are also contributing to elevated yields.



Source: LSEG

Another important development is approaching U.S. midterm elections on 3 November. Historically, gold has responded less to the election result itself and more to subsequent implications for fiscal, monetary and geopolitical policy. Prediction markets currently indicate a significant possibility of Democrats regaining at least some control of Congress. A divided government could constrain parts of President Trump's legislative and spending agenda but potentially increase reliance on executive actions, creating greater policy uncertainty. The election could therefore become an important volatility trigger for gold, particularly if the result materially changes expectations surrounding fiscal spending, U.S. debt issuance, regulation or foreign policy. With fiscal sustainability already influencing longer-term Treasury yields, the interaction between the election outcome, government spending and debt concerns could become increasingly relevant for bullion.

Central-bank activity continues to provide an important structural foundation, although recent developments highlight some divergence among official-sector participants. Russia sold approximately 200,000 ounces, or 6.2 tonnes, of gold during September, reducing its sovereign holdings to around 2,264 tonnes, the lowest level since late 2019. Russia has now reduced its gold reserves for ten consecutive months and has liquidated roughly 62 tonnes since December 2025, partly reflecting pressure from a widening federal budget deficit and elevated military and security spending. Continued purchases from several emerging-market central banks remain supportive of the longer-term gold story.



Source: LSEG

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. From here on, Fed policy meeting, inflation data and US mid-term election update will be important to keep an on. Both metals could continue to trade in a broad range.

Technical Levels:



MCX Gold on daily chart has given a breakdown below the symmetrical triangle formation and is sustaining well below the key resistance at ₹145600. As long as price holds below the same, short-term bias looks weak and selling on rise is advised targeting ₹140900 mark. Price sustained break below the initial target can extend it weakness towards ₹138000 as well. So, selling on rise is advised but our bias will negate above the resistance on a sustainable basis.



MCX Silver extended its weakness and marked a low of ₹192149 and has recovered marginally from there. Some short covering looks possible in the early days of the week but upside too will be capped around ₹199640 as it will act as strong resistance. Major trend reversal is not yet confirmed and selling on rise is still recommended. Critical resistance is capped at ₹210000 and selling on rise around resistance is recommended and it could re-test recent low around ₹192000.

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