

MARKET ANALYSIS
September 8, 2025

COMMODITY	QUOTE	FUTURES PRICE ACTION			29 Aug - 05 Sep, 2025	
		HIGH	LOW	CLOSE	CHANGE	CHANGE (%)
Spot Gold	\$/oz t	3600.2	3404.4	3586.7	138.7	4.02%
COMEX GOLD	\$/oz t	3655.5	3463.0	3653.3	137.2	3.90%
MCX GOLD	Rs / 10 grams	107807	102069	107728	3904.0	3.76%
Spot Silver	\$/oz t	41.5	38.7	41.0	1.3	3.24%
COMEX SILVER	\$/oz t	42.3	39.3	41.6	0.8	2.04%
MCX SILVER	Rs / Kg	124259	116850	122644	2273.0	1.89%

Source : Bloomberg, KS Commodity Research

Gold: Spot gold surged to a historic milestone of \$3,600 per ounce last week, gaining over 4%, its strongest weekly advance in four months, supported primarily by a disappointing U.S. labor market report, which reinforced expectations that the Federal Reserve will resume interest rate cuts at its September 16–17 policy meeting. Markets now price a near 90% probability of a 25-basis-point Fed cut in September, with a smaller but growing possibility of a deeper 50-basis-point move. August's nonfarm payrolls showed just 22,000 new jobs, well below forecasts of 75,000 and following July's weak addition of 73,000, while the unemployment rate rose to 4.3%. Additional labor market indicators painted a similar picture as Challenger job cuts spiked 39% to 85,979, ADP private payrolls slowed sharply to 54,000, and initial jobless claims rose to 237,000 as these data points highlight a rapidly cooling employment backdrop. Treasury yields tumbled in response, with the 10-year falling to 4.11% and the 2-year to 3.51%, further underpinning bullion demand.

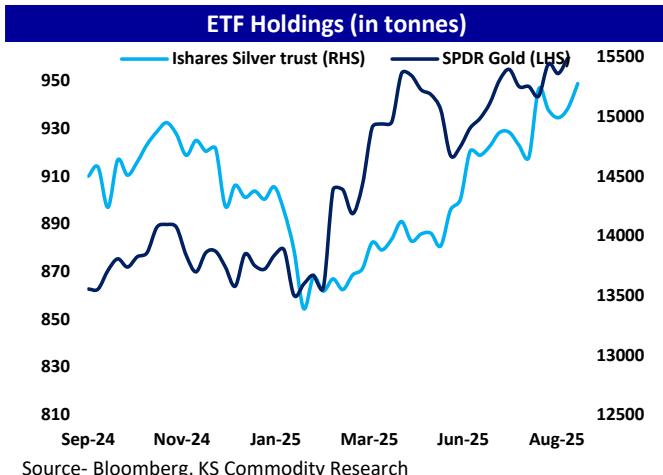
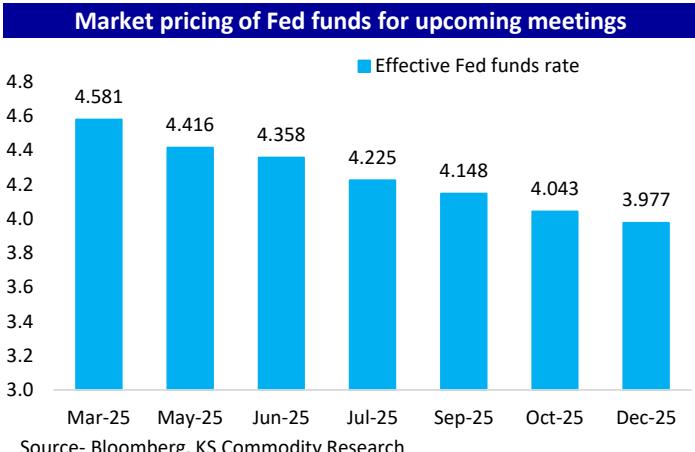
The U.S. dollar slipped to 97.4, its weakest in six weeks, before modestly recovering after a better-than-expected ISM services PMI, which rose to 52 in August. Beyond labor weakness, falling real yields, historically high debt burdens, and persistent inflation risks reinforce strengthen gold's appeal and its role as a hedge. Political uncertainty has also emerged, as the Justice Department opened a probe into Fed Governor Lisa Cook, raising questions about the central bank's independence amid heightened scrutiny from President Trump. Moreover, China expanded its gold reserves for the 10th consecutive month in August, adding 0.06 million ounces to reach 74.02 million ounces. Since November, China has accumulated 1.22 million ounces, signaling a broader strategic shift away from dollar assets. This consistent buying provides a firm underpinning for gold prices, especially in periods of market volatility.

Looking ahead, markets will focus on upcoming U.S. inflation data, including consumer and producer price indexes, which will guide expectations for Fed policy beyond September. Preliminary benchmark revisions to payrolls and the UoM consumer sentiment survey will also provide important insights into labor market momentum and household confidence. Gold remains well-supported as investors balance weak labor market signals, Fed policy easing prospects, and ongoing central bank demand, prompting swaps traders to increase bets, with markets now pricing in nearly three rate reductions over the remainder of the year. With sovereign yields declining and structural inflation risks persisting, bullion is poised to retain its safe-haven appeal and may extend gains toward fresh record highs.

Silver – Spot silver extended its winning streak for a third consecutive week, climbing above \$41.40 per ounce, its highest level since 2011. The rally was supported by falling real yields and a softer U.S. dollar after weak jobs data, which reinforced expectations of multiple Fed rate cuts and reduced the opportunity cost of holding non-yielding metals. However, silver lagged gold amid concerns that slowing U.S. economic momentum could weigh on industrial metals demand. At the same time, the physical silver market remains tight, with robust demand from solar, electric vehicles, and electronics, while supply growth lags due to silver's reliance on base-metal byproduct output. Structural deficits and resilient industrial demand supports silver's long-term bullish case, even as near-term moves track macro sentiment.

OTHER ASSET CLASSES	HIGH	LOW	CLOSE	CHANGE	CHANGE (%)
Dollar Index	98.6	97.4	97.8	0.0	0.0%
US 10 year treasury yields (%)	4.3	4.1	4.1	-0.2	-3.6%
Rupee spot	88.4	87.7	88.3	0.1	0.1%
CRB Commodity Index	304.4	297.8	297.8	-4.6	-1.5%
Brent Crude	69.5	65.1	65.5	-2.6	-3.8%
LME Copper	10038.0	9832.0	9897.5	-4.5	0.0%
S & P 500	6532.7	6360.6	6481.5	21.2	0.3%
DJIA	45770.2	44948.2	45400.9	-144.0	-0.3%

Source - Bloomberg, KS Commodity Research



TECHNICAL OUTLOOK



Source: Trading View, KS Commodity Research

Gold Futures on the MCX have shown a strong rally, recently breaking out above a rising channel and reaching a high near 107,807 levels. However, after this extended upmove, the momentum appears to be slowing down. Price is consolidating near the highs with smaller candles and declining volume, hinting at potential exhaustion. Immediate support is seen at 104,550–103,530. The RSI is in the overbought zone at 74, indicating that the asset may be overextended in the short term. A mild bearish pullback or consolidation is likely before any further upside. If prices fail to hold above 104,550, deeper correction toward 103,530 cannot be ruled out. Traders should stay cautious and wait for confirmation before taking fresh long positions. Based on this technical setup, MCX Gold is likely to trade in the range of 104,550 – 109,235 with a Sideways to Bearish bias.



Source: Trading View, KS Commodity Research

Silver Futures on the MCX have shown a strong rally within a well-defined rising parallel channel. Price is currently facing resistance near the upper trendline of this channel, around the 126,300–126,500 zone. After a sustained upmove, the price action has turned indecisive, forming a bearish candle, suggesting potential short-term exhaustion. The RSI is hovering around 68, near the overbought territory, indicating a possible cooling-off phase. A minor pullback toward 120,990–119,220 support could unfold if the price fails to break above the resistance. Until a decisive breakout occurs, the upside may remain capped, and profit booking at higher levels cannot be ruled out. According to the technical structure above, MCX Silver is probably going to trade with a bearish bias between 120,990 and 127,070.

RATING SCALE FOR WEEKLY REPORT

BUY	We expect the commodity to deliver 2% or more returns
SELL	We expect the commodity to deliver (-2%) or more returns
SIDEWAYS	We expect the commodity to trade in the range of (+/-)2%
NOTE - The recommendations are valid for one day from the date of issue of the report, subject to mentioned stop loss, if any	

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