2ND JUNE 2026

COMMODITY OF THE MONTH

Global Perspective | Strategic Outlook

GLOBAL VIEW
Worldwide Trends and Market Drivers

MARKET INSIGHTS
In-depth Analysis and Key Indicators

STRATEGIC OUTLOOK
Opportunities, Risks & Strategies

GOLD

THE COMMODITY WE COVER IN THIS REPORT

TECHNICAL RECOMMENDATION

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❖ Commodity of the Month – August (GOLD)

- Gold currently presents a **bearish trading opportunity** as prices continue to exhibit signs of weakening momentum across higher timeframes. Following a strong rally earlier in the year, the formation of a bearish engulfing pattern on the monthly chart, coupled with continued weakness in subsequent candles, indicates the possibility of a deeper corrective phase.

- On the weekly timeframe, gold remains confined within a downward-sloping channel, with momentum indicators such as MACD and RSI reflecting fading bullish strength and increasing downside pressure. In the domestic market, MCX Gold has repeatedly failed to sustain above the ₹1,65,000 resistance zone, highlighting persistent profit-booking at higher levels and a lack of fresh buying interest.

➢ ***Recommended Strategy: Sell GoldM (July) future***

- ***Sell Zone: ₹1,57,000 – ₹1,57,500***

- ***Stop Loss: ₹1,61,000***

- ***Target: ₹1,49,000***

- A sustained inability to reclaim key resistance levels is expected to keep the broader trend under pressure. Traders may consider initiating short positions within the recommended sell zone, as the prevailing technical structure suggests the potential for further downside towards the target level while maintaining disciplined risk management through the defined stop loss.

GOLD TECHNICALS

❖ Technical Overview

- ❑ Gold futures on the COMEX have declined for the third consecutive month, closing below the $4,600 mark in the previous month. Following a strong rally during the early part of 2026, gold prices have formed a bearish engulfing candlestick pattern on the monthly chart, followed by another bearish candle, signalling the possibility of a deeper correction in the coming weeks.
- ❑ On the weekly chart, gold continues to trade within a downward-sloping price channel, characterized by a series of lower highs and lower lows, reflecting a weakening trend. Although prices remain above the long-term monthly moving average, they have slipped below the 20-week Simple Moving Average (SMA) and are currently hovering near the 50-week SMA, a crucial support zone.
- ❑ Momentum indicators have also turned negative on the weekly timeframe. The MACD and histogram remain in bearish territory, while the RSI is hovering around the neutral 50 level, indicating fading bullish momentum and increasing downside risks.

❖ GOLDM Sell Recommendation (MCX – Positional Call)

- ❑ In the domestic market, MCX Gold is trading within a broad consolidation range and has failed to sustain above the ₹1,65,000 level for the third consecutive month, suggesting a lack of buying interest at higher levels. On the weekly chart, prices are hovering around the 20-week SMA, while a negative divergence on the MACD points to ongoing profit-booking pressure. Unless prices reclaim key resistance levels, the broader bias may remain corrective in the near term. Gold has support at 155000-145000 and resistance at 160000—165000.

FUNDAMENTAL OVERVIEW

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❖ Russia-Ukraine Developments

➢ The war remains active with slow Russian advances in eastern Ukraine (e.g., near Kharkiv, Kostyantynivka, Dnipro) but no major breakthroughs. Seasonal factors (rasputitsa/mud) have slowed operations.

➢ US has pushed for a June 2026 deadline for a peace deal (announced earlier in 2026), with potential trilateral talks. Pressure is mounting on both sides, but progress is limited.

➢ ***Impact on Gold: Ongoing conflict supports moderate safe-haven buying. A sudden ceasefire or escalation (e.g., major strikes) could cause volatility — de-escalation typically pressures gold lower.***

❖ Middle East Geopolitical News (US/Israel vs Iran)

➢ A major US-Israel vs Iran conflict erupted in late February 2026 with airstrikes on Iranian nuclear/military sites. A conditional ceasefire began around April 8, but violations continue (e.g., recent US strikes on Iranian ships in the Strait of Hormuz, sporadic clashes).

➢ Tensions remain high: Iran threatens broader retaliation; Israel pushes on related fronts (e.g., Lebanon/Hezbollah). Oil supply risks (Strait of Hormuz) have driven energy prices higher.

➢ ***Impact on Gold: Strong short-term safe-haven support due to uncertainty and inflation risks from energy. Any clear ceasefire or reopening of the Strait would likely reduce premium and pressure gold prices down. Escalation could push gold significantly higher.***

FUNDAMENTAL OVERVIEW

❖ Trade War US-China-India Progress

- US-China tensions persist with high tariffs, but some truce/extensions and talks are ongoing. Companies continue shifting supply chains.
- **US-India** has seen positive developments: Trade deals signed/reduced tariffs (e.g., Feb 2026 agreement lowering duties), critical minerals pacts, and stronger bilateral ties amid China concerns.
- India benefits as an alternative to China for US imports.
- ***Impact on Gold: Trade uncertainty and fragmentation generally support gold as a hedge against economic disruption and currency volatility. Positive US-India progress may slightly ease some pressures but doesn't eliminate broader risks.***

❖ Fed Rate Outlook Ahead

- Fed Funds Rate: Currently steady at 3.50–3.75%. Markets have largely priced out cuts for 2026 (high probability of no change or even hike risks) due to sticky inflation (April CPI ~3.8%, energy-driven).
- Next FOMC meeting: June 16–17, 2026. Recent data (strong labor, elevated inflation) supports a "higher for longer" stance.
- **Impact on Gold: Hawkish outlook (higher rates / stronger USD) is a headwind for gold, as it increases opportunity cost of holding non-yielding assets. Any surprise dovish signals or weaker data could provide relief rallies.**

FUNDAMENTAL OVERVIEW

❖ Forecast of Global Growth Rate for 2026

- IMF (latest April 2026 update): ~3.1% for 2026 (down from earlier ~3.3% due to Middle East conflict, trade tensions, and energy risks). Assumes limited conflict; worse scenarios see growth dropping to 2–2.5%.

- World Bank and others show similar cautious outlooks (~2.6–3.1%), with downside risks dominant.

- ***Impact on Gold: Slower growth + geopolitical risks = supportive for gold as a hedge. However, if growth holds up better than feared (e.g., due to AI/tech), it could reduce recession fears and weigh on prices.***

❖ Overall Gold Outlook for June 2026

- Bullish drivers: Geopolitical risks (esp. Middle East), central bank buying, and inflation from energy.

- Bearish pressures: Hawkish Fed, potential de-escalation in conflicts, stronger USD.

- Expect high volatility: Analysts see range-bound trading with upside on escalation and downside on peace signals.

GOLD RESERVES (TONNES) Q1 2026 Snapshot

Country	Region	Economic grouping	FX Reserves	Total Reserves	Gold Reserves Tonnes	Gold Reserves Millions	Holdings %
China	East Asia	Upper middle income	3,408,369.00	3,751,138.07	2,313.46	342,769.07	9.14
Japan	East Asia	High income	1,249,388.08	1,374,730.05	845.97	125,341.96	9.12
India	South Asia	Lower middle income	574,537.00	704,997.54	880.52	130,460.54	18.51
Singapore	South East Asia	High income	414,789.50	443,511.01	193.85	28,721.51	6.48
Brazil	Latin America & Caribbean	Upper middle income	336,420.25	361,970.23	172.44	25,549.98	7.06
Mexico	Latin America & Caribbean	Upper middle income	250,843.40	268,644.44	120.14	17,801.05	6.63
Thailand	South East Asia	Upper middle income	245,226.63	279,973.59	234.52	34,746.96	12.41
United States of America	North America	High income	241,283.12	1,446,361.69	8,133.46	1,205,078.58	83.32
Poland	Central and Eastern Europe	High income	205,287.49	291,465.35	581.64	86,177.86	29.57
United Kingdom	Western Europe	High income	172,910.25	218,883.34	310.29	45,973.09	21.00

Data as of 31 March, 2026

Sources: Central Banks, Federal Reserve Bank of St. Louis, IMF, World Bank, World Gold Council

Note: Current account and gross domestic product data is lagged by a quarter due to data availability (last update 2025-09-30).

MACROECONOMIC INDICATORS

Economic Indicator	Release Date	Actual	Forecast	Previous
U.S. Consumer Price Index (CPI) YoY	May 12, 2026	3.8%	3.7%	3.3%
USA core PCE price index y/y	May 28, 2026	3.3%	3.2%	3.2%
USA FED FUND RATE	Apr 29, 2026	3.50-3.75%	-	3.50-3.75%
USA PAYROLL DATA m/m	May 8, 2026	+115K	+62K / +65K	+185K (revised)
U.S. ADP Nonfarm Employment Change	May 6, 2026	+109K	+118K / +99K	+61K
U.S. Gross Domestic Product (GDP) QoQ	May 28, 2026 (Q1 2nd est.)	+1.6%	2.0%	+0.5% (Q4)
US UNEMPLOYMENT CLAIMS weekly	May 28, 2026	215K	211K	210K
US MANUFACTURING PMI m/m	Jun 1, 2026	54.0	53.3	52.7
IMF GLOBAL GROWTH FORECAST	April 14 , 2026	3.1% (2026)	-	~3.3% (prior)
China Manufacturing PMI	May 31, 2026	50.0	50.2	50.3

KEY RISKS TO WATCH

Risk Factor	Direction	Impact if Triggered
Persistent / Reaccelerating Inflation (driven by energy prices)	Downside	Hawkish Fed response strengthens USD and real yields → gold faces correction toward \$4,200–\$4,350 support levels as opportunity cost of holding non-yielding gold rises.
Middle East Escalation (Iran-Israel/US tensions, Strait of Hormuz disruptions)	Upside	Heightened safe-haven demand and inflation fears from oil spike → gold could surge \$150–300/oz rapidly on renewed conflict intensity.
Geopolitical De-escalation (Ukraine ceasefire progress or Iran nuclear/diplomatic breakthrough)	Downside	Rapid compression of risk premium → gold loses \$100–200/oz as investor flows shift to risk assets.
Stronger-than-expected US Economic Data (labor market, PMI)	Downside	Reinforces "higher for longer" Fed stance → caps gold upside and tests lower supports around \$4,300–\$4,400.
Central Bank Buying Slowdown	Downside	Weakens structural demand floor (especially if more EM sales emerge) → gold tests \$4,100–\$4,300 zone with increased volatility.
USD Strength / Wider Rate Differentials	Downside	Dollar rally limits gold appreciation; potential pullback of 5–10% if BoJ or other central banks tighten faster.
Global Growth Surprise (sharper slowdown vs IMF 3.1% forecast)	Mixed / Slight Upside	Recession fears boost safe-haven flows, though deflationary pressures could temporarily weigh on commodities.

VOLUME & OPEN INTEREST

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MCX GOLD		
MONTHS	OPEN INTEREST	VOLUME
FEBRUARY	8.32 k	158.25 k
MARCH	6.63 k	163.5 k
APRIL	9.09 k	125.15 k
MAY	1.69 k	121.63 k

COMEX GOLD		
MONTHS	OPEN INTEREST	VOLUME
FEBRUARY	276.74 k	3.12 m
MARCH	268.35 k	4.32 m
APRIL	260.06 k	2.8 m
MAY	263.87 k	2.75 m

DISCLAIMAR

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