Future Gold Labs

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Weekly Gold Wrap

2025/9/7

I. Gold Price Recap

Friday this week (New York time, Sept. 5; Beijing time, early Sept. 6): COMEX gold futures rose 0.92% to $3,639.8/oz, up 3.52% weekly; COMEX silver futures gained 0.22% to $41.51/oz, up 1.93% weekly. COMEX gold broke above $3,600/oz, closing higher consecutively to new all-time highs.

The record high in gold prices is mainly driven by the gradual transmission of U.S. macroeconomic data along the chain of "manufacturing sector weakness → further cooling of the labor market → significant underperformance in non-farm payrolls". It is also jointly propelled by factors including the Fed's dovish signals that have strengthened expectations of monetary easing, concerns over its independence that have undermined the U.S. dollar's credibility, coupled with global economic uncertainties and continued gold purchases by central banks worldwide.

Weekly performance review(New York Time):

- Monday: Gold extended last week >2% rally. U.S. closed for Labor Day; escalated Russia-Ukraine conflict lifted safe-haven demand.
- Tuesday: Safe-haven flows pushed gold above $3,500/oz. UK fiscal fears sparked gilt sell-off, driving investors to gold.
- Wednesday: Gold pulled back early, then hit new high above $3,570/oz. July JOLTS drop weighed on dollar, boosting gold.
- Thursday: Gold dipped to ~$3,500/oz on better risk sentiment; rebounded after weak U.S. job data pressured dollar.
- Friday: Gold traded narrowly early, then fresh record high. Weak August nonfarm payrolls sank yields/dollar, fueling rally.

II. Key Drivers Behind Gold's Volatility

1) The weakening U.S. labor market data has pushed gold prices higher.

U.S. Key Economic Indicators This Week & Their Impact on Gold Prices:

(1) U.S. Job Openings and Labor Turnover Survey (JOLTS) for July:

7.18 million, down 170,000 (-2.3% MoM) from June's 7.35 million. Reflects cooling labor demand, weaker hiring intentions, and second consecutive monthly drop in openings.

(2) U.S. Private Sector Employment (ADP) for August:

+54,000, below the 65,000 forecast and July's revised +89,000 (-39.3% MoM). Signals sharp slowdown in private hiring, especially sluggish expansion momentum among SMEs.

(3) U.S. Nonfarm Payrolls (BLS) for August:

+22,000, well below the 75,000 forecast and July's revised +79,000 (-72.2% MoM). June data was revised down to -13,000 from +14,000, indicating negative growth then, highlighting the sluggish job market recovery.

(4) Initial Jobless Claims:

237,000 in the week ending Aug 30, up 8,000 (+3.5% MoM) from the prior week's 229,000. Above 230,000 for two straight weeks, showing marginal easing of the labor market and slightly increased unemployment pressure.

(5) U.S. Unemployment Rate (BLS) for August:

4.3%, up 0.1pp from July's 4.2% (in line with forecast). Mild rise due to marginal changes in labor supply and demand; remains relatively low historically but has edged up for two months, easing labor market tightness.

➢ **Impact on Gold Prices**:

Weak U.S. labor data - falling JOLTS openings, below-forecast ADP and nonfarm payrolls, rising jobless claims, and higher unemployment rate - stokes concerns over economic outlook, boosts Fed rate cut expectations, weighs on the dollar, and drives gold to new all-time highs.

Going forward, investors will closely monitor U.S. macroeconomic data for new clues about the policy outlook.

2) Monetary Policy & Gold Market Impact

(1) Trump's Intervention in the Fed & Data System

➢ Previously, former President Donald Trump attempted to fire Federal Reserve Governor Lisa Cook. The ongoing legal standoff has heightened market concerns about the Fed's independence.

➢ On Thursday, Fed nominee Greg Mankiw told a Senate committee that he was "by no means" a puppet of Trump, dismissing concerns about political interference in the central bank. Mankiw stated that if confirmed, he would take an unpaid leave from his position as a White House advisor, but critics argued that this move still blurred the Fed's independence. Beyond the independence controversy, Mankiw pledged to act based on macroeconomic analysis and uphold the Fed's dual mandate (stable prices and maximum employment).

For gold, concerns over the Fed's independence stemming from its personnel changes and policies have provided support to the precious metal.

(2) Fed Officials'stances on Monetary Policy

➢ **Fed Beige Book (Sept.)**: Noted U.S. inflation upside risks, may keep Fed on cautious easing path. Stated: "Most districts saw businesses expecting price hikes ahead; three noted faster increases." Fed enters blackout period before Sept. 16-17 policy meeting.

➢ **Austan Goolsbee (Chicago Fed)**: "Somewhat uneasy" about inflation outlook due to recent CPI/PPI; service price gains may push inflation up again.

➢ **Neel Kashkari (Minneapolis Fed)**: Trump's tariffs lift goods inflation. Inflation still "too high" despite cooling labor market; monitor tariff-linked prices for sustained highs.

- **Mary Daly (San Francisco Fed)**: Optimistic—businesses cut tariff cost pass-through to consumers. Tariff hikes may be one-off; inflation moving to 2% target, 2 cuts likely this year.
- **Christopher Waller (Fed Governor)**: Inflation may fluctuate slightly but not persist; to near 2% target in 6 months. Labor market showed cracks since end-July 2025; latest data weak; unemployment up, hourly earnings stable.

(3) Market Watch Data

- **CME FedWatch:**

CME FedWatch Tool data released on September 5:

- Sept. rate cut highly likely: 0.6% chance of Fed keeping rates unchanged; 99.4% chance of a 25-basis-point cut.

- Oct. cut expectations strengthened: 0.3% chance of unchanged rates; 44.5% chance of a cumulative 25-basis-point cut; 55.3% chance of a cumulative 50-basis-point cut.

This indicates the market is nearly unanimous in expecting the Fed to cut rates by 25 basis points at its September meeting, with strong expectations for another cut in October.

(4) Impact on Gold Prices

- Trump's interventionist actions, such as attempting to fire Federal Reserve governors and nominating individuals with White House ties, have stoked market concerns about the Fed's independence and policy impartiality, significantly boosting the appeal of gold as a safe-haven and value-preservation tool.
- Disagreements among Fed officials over the inflation outlook – with some worrying about rising inflation and others viewing it as controllable – coupled with upside inflation risks flagged in the Beige Book, have complicated market expectations for the Fed's rate-cut pace. These factors have collectively supported gold prices and influenced their short-term fluctuations.

3) Yields, USD & Gold Dynamics

(1) Dollar Index Behavior

On Friday, the DXY – which tracks the U.S. dollar against a basket of currencies – fell below the 98.00 level, erasing Thursday gains to close at 97.77.

(2) US Treasury Yields & Gold Dynamics

In late New York trading on Friday (September 5), the 10-year U.S. Treasury note yield dropped 8.65 basis points to 4.0742%, with a weekly decline of 15.42 basis points. The 2-year yield fell 7.86 basis points to 3.5092%, down 10.75 basis points on the week.

- **Impact on Gold**

A weaker dollar lowered the cost of gold for holders of other currencies, stimulating demand and lifting gold prices. Meanwhile, the 10-year Treasury yield decline on Friday and over the week reduced the opportunity cost of holding gold, boosting its appeal. Together, these two factors provided strong support for gold prices.

4) Geopolitical Tensions & Safe-Haven Demand

- **U.S.-India**: "Cool politics, warm military ties": On September 2, the Indian Army traveled to Alaska, U.S., to participate in the U.S.-India joint military exercise codenamed "Yudh Abhyas," which will run until the 14th. Despite recent tensions over the U.S. imposing a 50% high tariff on Indian goods, military cooperation proceeded as scheduled.
- **Russia-Japan tensions escalate**: Japan has been expanding its military budget and deployed F-35 carrier-based aircraft to the Western Pacific front for the first time. The U.S. also plans to

deploy "Typhon" medium-range missiles in Japan in mid-September, threatening Russia's security. Russia issued a strong warning, listing "strengthening Far East defense" as a priority, with both sides on edge over the Northern Territories sovereignty dispute.

The above geopolitical conflicts have supported gold's safe-haven demand, bullish for gold.

5) Tariff Turmoil Drives Gold Swings

(1) Tariff & Trade Policy Developments

➢ **Trump Admin Tariff Policy Faces Supreme Court Review:** On Sept. 4 (Thu), the Trump administration formally petitioned the U.S. Supreme Court to overturn a federal appeals court ruling. Citing the "major questions" doctrine, the appeals court held that the International Emergency Economic Powers Act (IEEPA) does not grant the president "unlimited tariff authority," thus deeming most of the admin global tariffs unlawful.

At least 8 lawsuits have challenged these tariffs. The Justice Department asked the Supreme Court to start review by Sept. 10 and plans Nov. hearings. Tariffs remain temporarily in effect pending a final ruling.

This legal battle clouds the admin tariff agenda and fuels market worries over U.S. trade policy stability.

➢ **U.S.-Japan Trade Talks:** On Friday, President Donald Trump signed an executive order cutting Japanese auto import tariffs from 27.5% to 15%. Effective in 7 days and retroactive to early Aug, the move is part of a broader U.S.-Japan economic package—including Japan pledge to invest $550B in U.S. infrastructure, energy and semiconductor projects, and its agreement to boost Alaskan LNG purchases. Though excluding aircraft and parts, the deal is seen as a major win for Japanese automakers.

(2) Impact on Gold Prices

While the U.S.-Japan tariff cut lifted short-term market sentiment, ongoing legal disputes over Trump tariffs and global concerns over trade policy uncertainty continue to drive safe-haven flows into gold, supporting its high levels.

6) Gold Market Observation

(1) World Gold Council Plans to Launch Digital Gold – View from Commerzbank

Thu Lan Nguyen, Head of FX and Commodity Research at Commerzbank, noted that the World Gold Council (WGC) has recently put forward a new initiative to modernize the gold market, planning to launch a form of digital gold.

1) Disclosure of Digital Gold-related Initiative

This product, named "Pooled Gold Interests (PGIs)", aims to enable investors to participate in a "pool" of physical gold even with very small holdings. Furthermore, Pooled Gold Interests can serve as collateral (e.g., for loans) and be easily transferred between transacting parties.

The WGC's move is seen as a response to recent developments in the digital currency space (stablecoins, central bank digital currencies/CBDCs, etc.).

2) Commerzbank's View: No Need to Worry About Digital Currencies Undermining Gold's Status

Commerzbank believes that the WGC's move may stem from concerns that "stablecoins and/or CBDCs could become alternative investment products to gold", but such concerns are unfounded.

Reasons are as follows: Both stablecoins and CBDCs are pegged to fiat currencies – stablecoins are backed by the US dollar, while CBDCs are issued directly by central banks and essentially function the same as cash; gold, however, has "political neutrality" – it is not issued by any central bank or political institution, and its supply is mainly determined by mining, with slow changes.
For investors who invest in gold to hedge political risks, the ease and cost-effectiveness of fiat currency transfers are not their primary concerns.

III. Outlook & Key Catalysts

➢ **Next Week's Focus:**

- Next week, key focus: U.S. August unadjusted PPI YoY and CPI YoY. The former may reflect U.S. import tariff impacts; the latter, a core inflation gauge, will shape Fed monetary policy. Also noteworthy: Sept. U-Mich consumer sentiment (prelim) and 1-year inflation expectation (prelim). Investors will track sudden geopolitical shocks, Fed independence issues, tariff/trade policies, etc.

Release Date	Country/ Region	Event	Importance
2025/9/10	U.S.	U.S. PPI: Seasonally Adjusted (MoM)	High
2025/9/10	U.S.	U.S. Core PPI: Not Seasonally	High
2025/9/11	U.S.	U.S. Initial Jobless Claims: 4-Week Moving Average, Seasonally Adjusted (Preliminary)	High
2025/9/11	U.S.	U.S. Initial Jobless Claims: Seasonally	High
2025/9/11	U.S.	U.S. Core CPI: Not Seasonally Adjusted	High
2025/9/11	U.S.	U.S. Core CPI: Seasonally Adjusted (MoM)	High
2025/9/11	U.S.	U.S. CPI: Seasonally	High
2025/9/11	U.S.	U.S. Core CPI: Seasonally Adjusted (YoY)	High
2025/9/11	U.S.	U.S. Core CPI: Not Seasonally Adjusted (YoY)	High
2025/9/11	U.S.	U.S. CPI: Not Seasonally Adjusted (YoY)	High
2025/9/12	U.S.	U.S. University of Michigan	High

IV. Quantitative Strategy Review

Quant Team's Input：

1) Technical Structure Analysis of Gold

➢ **New York Gold Trading & Risk Tips (Execution Layer)**

- **Event Volatility:** Spread and slippage surge during CPI/Michigan periods, raising pending/ chasing order risks; prioritize "enter after confirmation / staged entry".
- **Rhythm Management:** First volume-driven breakout near 3600 level is prone to profit-taking pressure; if volume fails to match, guard against the three-stage pattern of "false breakout - pullback - rally again".
- **Risk Control Anchor:** 3545 is the short-term trend watershed; below it is the "structural pullback" zone, with 3500 as strong central support—only a break below triggers mid-term rhythm shift consideration.
- **Correlation Watch:** If DXY continues to fall + U.S. bond yields keep dropping but gold fails to rise, be alert to "divergence due to dullness" from short-term cooling of capital flows (ETF/futures).
- **Position & Take-Profit:** Stick to "buy on dips over chase highs" and "light chase on breakout, add positions on pullback"; use layered profit-taking to avoid missing further rallies from one-time exit.

➢ **Structural Conclusion:**

- As long as fundamentals aren't hit by unexpected high inflation, gold remains in the main logic of "weak data + easing expectations".

• **Tactics:** Use 3545/3500 for long-position defense, and 3600/3630 for breakout and profit-taking rhythm.

• **Risks:** Watch three disturbances—"higher-than-expected inflation, synchronized rebound of USD and rates, and larger-than-expected overbought pullback".

2) Quantitative Model Data

Quarterly performance:

Win rate: 46.5%

Profit-loss ratio: 3:1

Number of trades: 20

Annualized return: 26%

Maximum drawdown: 8.9%

Weekly Trading Overview:

Micro gold hedging operations conducted this week:

Weekly win rate: 74%

Equity change: -2%

Trading frequency: 59 times

Notes:

-Win rate is the number of wins divided by the total number of participations, calculated as (number of wins / total participations) × 100%. Excluding draws, it is (number of wins / (wins + losses)) × 100%. In statistics, a trade is considered a win if profit > 0.

-Profit-loss ratio has two calculation methods: total profit divided by total loss, or average profit per trade divided by average loss per trade. The latter is adopted here.

-Maximum drawdown is the largest decline from a peak to a trough. It is calculated by identifying the historical peak net value and subsequent trough net value, using the formula: (peak net value - trough net value) / peak net value.

-Equity changes refer to fluctuations in account funds, which occur after each position closing. In live trading, there are daily static equity changes and dynamic changes (fluctuating every second with position P&L).

Reference:

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