Future Gold Labs

X (Twitter): https://x.com/futuregoldx

TG: https://t.me/futuregoldlabs

Author: Koi

Reviewer: Jake Liu

Weekly Gold Wrap

2026/03/08

I. Gold Price Recap

COMEX Gold Futures rose 2.02% to $5,137.50/oz on Friday (March 6, New York time; early March 7 Beijing time), posting a mild weekly decline of ~2.8%. COMEX Silver Futures gained 3.06% to $84.695/oz, down ~9.9% for the week. Escalating U.S.-Iran geopolitical tensions, shifting U.S. tariff policies, and deepening Fed policy divergence drove volatile, high- level price action in precious metals this week, with a pattern of rallying to highs then retreating.

On February 28, joint U.S.-Israeli strikes on Iran triggered a major escalation. Oil prices surged over 25% as the Strait of Hormuz was closed, sharply reviving fears of resurgent U.S. inflation. Gold initially spiked above $5,400/oz on safe-haven flows but retreated amid persistent dollar strength. Despite unrelenting U.S.-Iran conflict and elevated geopolitical risk, gold posted its first weekly drop in five weeks. While markets remain wary, recent volatility does not signal fading safe- haven demand for gold. The pullback was driven primarily by two factors: a stronger U.S. dollar and investor demand for liquidity, alongside inflation concerns. In periods of extreme market panic, gold can temporarily act as a liquidity source, with investors selling to meet margin calls and raise cash, temporarily suppressing its safe- haven attributes. However, the ongoing escalation in the Middle East is expected to underpin support for traditional safe-haven assets like gold. Separately, rising oil prices stoked inflation fears, prompting markets to scale back Fed rate- cut bets, which weighed on gold.

II. Key Drivers Behind Gold's Volatility

1) U.S. Economic Indicators Trigger Gold Volatility

(1) Major U.S. economic indicators released this week and their impact on gold prices

➢ **U.S. February Manufacturing & Services PMIs**

-Manufacturing PMI: 52.4, expanding for a second consecutive month. New orders (55.8), production (53.5), and backlogs (56.6) remained strong. The price index rose above 70, signaling rising inflationary pressures.

-Services PMI: Jumped to 56.1, the highest since July 2022. New orders (58.6) and business activity (59.9) rose sharply, with 14 industries expanding. The services sector remains the primary engine of U.S. growth.

➢ **U.S. January Retail Sales**

Retail sales fell 0.2% month-on-month, slightly better than the consensus forecast of -0.3%, but marked a second consecutive monthly contraction in household spending, led by weaker auto sales and winter weather impacts. The control group retail sales, which feeds directly into GDP, rose 0.3% MoM. Ex-auto retail sales were flat (0% MoM), in line with expectations.

- **U.S. February Nonfarm Payrolls**

The report was dismal: Nonfarm payrolls fell by 92,000, sharply below the consensus estimate of +59,000. January's figure was revised down from 130,000 to 126,000. The unemployment rate edged up to 4.4%, still below the Fed's 2026 forecast of 4.5%.

(2) Impact on Gold:

Strong PMIs and resurgent inflationary pressures weighed on gold, while the sharply negative February payrolls significantly boosted Fed rate-cut expectations, providing short-term support for gold. The data revealed a backdrop of economic resilience alongside cooling labor markets, intensifying bull-bear tug-of-war in gold prices, with short-term price action centered on range-bound consolidation.

2) Monetary Policy & Gold Market Impact

(1) Fed Developments & Official Views

① Fed Beige Book

- On March 4, the Fed released its latest Beige Book, covering economic activity from January 6 to February 23, 2026. The report showed the U.S. economy expanded at a moderate pace, characterized by services outperforming manufacturing. On inflation, persistent price pressures remained, with sticky services inflation particularly pronounced. Rising energy prices and higher import costs lifted imported inflation pressures. Surveyed firms widely reported sustained increases in insurance, energy, and raw material costs, pushing up production expenses. In the labor market, hiring slowed and layoffs remained mild. Wage growth moderated slightly but stayed resilient, with no notable declines in wages or sharp swings in employment—findings that aligned with the subsequent nonfarm payroll data and provided critical input for Fed policy decisions.

② Fed Officials' Views

- **Susan Collins (Boston Fed President):** Argued rates should stay on hold for some time, requiring more data to confirm sustained inflation declines; no rush to adjust policy. (Neutral)
- **Beth Hammack (Cleveland Fed President):** Stated inflation is a broader issue than tariffs; warned of inflation stickiness and does not support rate cuts at this time, focusing on risks of persistently high inflation. (Neutral)
- **Alberto Musalem (St. Louis Fed President):** Baseline forecast: inflation gradually returns to the 2% target. Current policy is moderately restrictive. Holding rates steady in March is appropriate. Favored patience in adjusting policy. (Neutral)
- **Neel Kashkari (Minneapolis Fed President):** Viewed the Middle East conflict as a new uncertainty, requiring monitoring of duration and impact. A prolonged conflict could boost inflation and delay rate cuts. Does not see new tariffs driving fresh inflation, but tariff uncertainty has risen. Previously forecast one 2026 rate cut; now uncertain. Favored holding rates steady until tariff impacts are clear. (Hawkish lean)
- **Schmid (Fed Governor):** Emphasized the Fed's primary goal is to return inflation to 2%. Warned of inflation rebound risks from potential 2026 fiscal stimulus; took a cautious stance on rate cuts. (Hawkish lean)
- **Christopher Waller (Fed Governor):** Viewed oil price gains from Middle East tensions as one-off shocks unlikely to drive sustained inflation, arguing policy should not be adjusted in response; core

inflation remains the reliable gauge. Reiterated support for a 25bp rate cut (dissenting in January). The weak February payrolls deepened his concerns about the labor market. (Dovish lean)

- **Mary Daly (San Francisco Fed President):** Noted the negative February payrolls warrant attention but are single‐ month data not to be overinterpreted. A low‐ hiring, low‐ layoff labor market is prone to volatility. Signs of labor market cooling are strengthening, and conditions for rate cuts are building. Both the Fed's dual mandates—stable employment and price stability—face risks. (Dovish lean)

(2) Market Watch Data

- **Prime Market Terminal Data:**

According to the CME FedWatch Tool, market-implied probability of a 25bp June rate cut fell to ~35%, down from over 40% a week earlier.

(3) Impact on Gold Prices

.The Beige Book's signal of sticky inflation, combined with cautious Fed rhetoric on rate cuts and diminished June rate-cut odds, weighed on gold. However, dovish signals from some officials and cooling labor markets provided downside support, leaving gold in a short‐ term range‐ bound pattern.

3) Yields, USD & Gold Dynamics

(1) Dollar Index Behavior

At the New York close on Friday (March 6), the DXY fell 0.09% to 98.96. For the week, it traded higher in a choppy manner before easing slightly, maintaining a rebound bias. The dollar was supported by safe-haven flows amid escalating U.S.-Iran tensions and indirect support from weaker non‐ USD currencies. It pulled back temporarily amid Fed policy divergence and the disappointing nonfarm payrolls, but finished the week modestly higher, extending its rebound from the prior week—its medium‐ term uptrend intact despite short‐ term data volatility.

(2) **US Treasury Yields & Gold Dynamics**

At the New York close on Friday (March 6), the 10-year U.S. Treasury yield rose 0.19bp to 4.1383%, having earlier climbed to a three-week high of 4.17%. For the week, it surged nearly 20bp, the largest weekly gain since April 2025, reversing its February downtrend. The move was driven primarily by inflation fears stoked by soaring oil prices amid Middle East tensions, compounded by hawkish Fed rhetoric, triggering Treasury selling and pushing yields higher.

(3) Impact on Gold

A modestly stronger DXY and sharply higher 10-year Treasury yields combined to raise gold's opportunity cost, acting as a significant headwind and driving gold's rally-then-retreat pattern. However, safe-haven demand from ongoing U.S.-Iran tensions provided support, creating a tug-of-war between headwinds and support that dominated gold's volatile, pressured performance this week.

4) Geopolitical Tensions & Safe-Haven Demand

(1) Middle East: U.S.- Iran Military Conflict

① Escalation with No Signs of De- escalation

The U.S.-Israel-Iran conflict entered its seventh day, with geopolitical risk remaining elevated. Iran continued missile and drone attacks on U.S. military bases in the Gulf and a Bahrain refinery. Israel carried out airstrikes on Tehran. The U.S. suspended operations at its embassy in Kuwait. The two sides hold opposing positions on a ceasefire: Trump claimed Iran sought a truce but it was “too late,” with the U.S. striking Iran full force. Iran's Foreign Minister Araqchi denied seeking a ceasefire or negotiations.

The IRGC warned retaliatory strikes would escalate in the coming days, with ongoing missile and drone attacks on U.S. bases in the Gulf.

② **Energy & Military Impact: Strait of Hormuz Blockade & Surging Oil Prices**

On March 2, Iran fully blockaded the Strait of Hormuz, banning vessels from the U.S. and allied nations, disrupting ~20% of global oil shipments. On March 3, a U.S. submarine sank Iran's frigate Iris Dena in the Indian Ocean; 87 bodies were recovered by Sri Lanka's navy. On March 6, the U.S. Defense Secretary declared military operations would further escalate, and the White House convened defense contractors to discuss production increases. Oil prices spiked sharply, stoking global inflation fears. Qatar's energy minister warned that a Gulf energy export shutdown could push oil to $150/bbl. Markets responded by scaling back Fed rate-cut expectations, supporting the dollar and Treasury yields, and raising gold's opportunity cost. On March 6, the IEA stated global oil supplies remain adequate despite logistics disruptions from the conflict; no emergency stockpile release is planned at this stage, though all options remain under consideration.

③ **International Reactions**

The UN called for a ceasefire. France and the UK deployed additional troops to the Middle East and granted the U.S. access to bases; Spain expressed reservations. Russia's Deputy Prime Minister announced plans to divert some LNG shipments originally destined for Europe to more reliable markets.

(2) Impact on Gold

Escalating U.S.-Iran tensions support gold via safe-haven demand, but surging oil prices stoke inflation fears, lowering Fed rate-cut odds, strengthening the dollar and Treasury yields, and pressuring gold by raising its holding cost. In the short term, gold faces a two-way tug-of-war between safe-haven support and rate-related headwinds, leading to heightened volatility and range- bound trading.

5) Tariff Turmoil Drives Gold Swings

(1) Tariff & Trade Policy Developments

➢ **New Round of U.S. Global Tariffs Implemented, with Policy Guidance Remaining Unstable**

U.S. tariff adjustments have been intensive this week, with persistent uncertainty. Key timeline and measures:

① On March 4, a 15% temporary global import tariff took effect (replacing the 10% rate, valid for 150 days). The IEEPA tariffs ruled illegal are expected to be reinstated within five months.

② Between March 2–6, courts rejected the government's request to delay refunds, triggering the $175 billion illegal tariff refund process, scheduled for late April, covering 300,000 importers.

③ On March 5, 23 U.S. states sued over the 15% global tariff policy, alleging overreach; more than 20 states had previously planned legal challenges.

(2) Impact on Gold:

Frequent shifts in U.S. tariff policy and ongoing legal disputes have elevated trade and policy uncertainty, providing safe-haven support for gold. However, tariff-driven inflation expectations may delay the Fed's easing cycle, acting as a headwind for gold prices.

6) Gold Market Observation

（1）Gold Market Commentary -When the dollar turns on itself——WGC

1) Core Gold Performance in February

① **Price Performance:** Gold in USD rose 5% in February to close at $5,222/oz, with a year-to-date gain of 19.6% in 2026. Local gold prices in India (INR appreciation) and China (CNH appreciation) fell 3.5% and 1.3%, respectively. Gold in all other currencies posted positive returns.

② **Drivers:**Led by a weaker U.S. dollar (especially against EM currencies) and lower 10-year U.S. Treasury yields.Strong Asian buying (high trading volume on SHFE) supported gold prices, offsetting pressure from falling implied volatility (a factor not included in the GRAM model, creating a positive residual).

③ **Capital Flows:**Global gold ETFs added $5.3 billion (26 tons), led by North America and Asia; Europe saw $1.8 billion outflows (13 tons).Managed money net longs on COMEX contracted sharply in early February and rebounded modestly at month-end.

2) Core U.S. Dollar Outlook (Key for Gold)

① **Short-term Trend:**The DXY avoided a technical breakdown in January. Its recent rebound, fueled by the Middle East conflict, is only a short-term correction.

② **Medium-term Trend:** A resumption of the downtrend is highly likely, based on:

- The USD and U.S. equities remain overvalued vs. history and other major markets;
- Foreign investors' dual returns from "U.S. equities + USD" have faded, with Europe and Japan emerging as alternatives;
- Historical USD bear markets feature large initial declines and long durations, alongside relative underperformance of U.S. stocks;
- Alignment with U.S. industrial repatriation policies;
- USD "weaponization" has made global central banks cautious on USD exposure.

3) Gold Outlook & Risks

① **Bullish Drivers:** Medium-term USD weakness, high policy and geopolitical uncertainty, volatile capital flows, and persistent central bank gold buying (portfolio diversification) are structurally positive for gold.

② **Potential Headwinds:**High price levels have raised concerns among some investors; If capital inflows boost EU and Japanese economic and equity strength, local gold demand may weaken (European gold ETFs already saw profit-taking outflows in February after January's surge).

③ **Geopolitical Impact:** Late-February Middle East tensions drove a nearly 5% gold rally in two trading days. Historically, gold rises in roughly two-thirds of geopolitical escalation episodes.Uncertainty will rise over the next two weeks, with gold returns ranging from +8% to－3% and a 57% probability of upside.

4) Core Conclusion

The USD rebound driven by the Middle East conflict is temporary. A resumption of the medium-term USD downtrend will support gold prices. In the short run, gold will face intensified volatility between safe-haven demand and USD rebound pressure.

III. Outlook & Key Catalysts

- **Next Week's Focus:**

Tue, Mar 11: U.S. February CPI, U.S. February Treasury Budget Statement

Wed, Mar 12: U.S. January Trade Balance, U.S. February Existing Home Sales

Thu, Mar 13: U.S. Initial Jobless Claims, U.S. Q4 GDP 2nd Estimate, U.S. January Personal Income & Spending

U.S.-Iran tensions, tariff developments, Fed speeches, the progress of the Warsh nomination, and Middle East geopolitical conflicts.

*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:

1. Title:Gold slumps below $5,100 as US Dollar gains Author: Lallalit Srijandorn |
2. Title:Gold lacks bullish conviction; remains below $5,200 despite Middle East tensions Author:Haresh Menghani
3. Title: Gold price surges after weak US payrolls shake US Dollar Author:Christian Borjon Valencia
4. Title:Gold steadies after soft US jobs data but heads for weekly loss Author:Vishal Chaturvedi
5. Title: COMEX Gold Futures (GC00Y) Quote Author: CME/East Wealth/Wind
6. Title: US Dollar Index Futures Quote Author: Wind
7. Title: Trader XAUUSD-Trade-ideas Author: TradingViews
8. Title: Weekly economic and financial commentary Author:Wells Fargo Research Team
9. Title:Gold falls to near $5,100 as inflation fears weigh amidst Middle East conflict Author:Lallalit Srijandorn
10. Title:Gold Market Commentary -When the dollar turns on itself Author:WGC

Disclaimer

Some of the statements contained in this document, including information incorporated by reference, discuss future expectations, or state other forward-looking information. Those statements are subject to known and unknown risks, uncertainties and other factors, several of which are beyond our control, which could cause the actual results to differ materially from those contemplated by the statements. The forward-looking information is based on various factors and was derived using numerous assumptions. In light of the risks, assumptions, and uncertainties involved, there can be no assurance that the forward-looking information contained in this document will in fact transpire or prove to be accurate. Important factors that may cause the actual results to differ from those expressed within may include, but are not limited to:

The success or failure of the efforts to successfully market its products and services as scheduled;
The ability to attract and retain quality employees;
The effect of changing economic conditions;
The ability to obtain adequate debt or equity financing;

Recipients acknowledge that:
This document contains proprietary business, financial, and technical information.
Any reliance on forward-looking statements is at the recipient's own risk.
No part of this document may be shared, copied, or used without prior written consent.

We make no representation and undertake no obligation to update forward-looking information to reflect actual results or changes in assumptions. By accepting this document, recipients agree to maintain its confidentiality and return/destroy it upon request.