



Future Gold Labs

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

TG: <https://t.me/futuregoldlabs>

Author: [Koi](#)

Reviewer: [Jake Liu](#)

Weekly Gold Wrap

2026/04/05

I. Gold Price Recap

As of Friday (New York time, April 3; Beijing time, early April 4), COMEX gold futures closed at \$4,672.00 per troy ounce, edging down 0.02% intraday but gaining 5.8% weekly, showing a clear "initial weakness followed by strength with volatile tug-of-war" pattern and extending last week's range-bound trading with intensified bullish-bearish rivalry. COMEX silver futures settled at \$73.17 per troy ounce, down 3.82% intraday, with its weekly decline narrowing notably, signaling early bottom-building consolidation for precious metals.

Precious metals faced sustained downward pressure this week due to hawkish Fed rhetoric (Chair Powell stressed policy is "well-positioned," delaying rate-cut expectations) and rising U.S. inflation expectations. However, downside was mitigated by safe-haven demand from escalating U.S.-Iran tensions and bargain-hunting after gold hit periodic lows, offsetting partial bearish impacts.

Gold's weekly movement was shaped by alternating dominant drivers: escalating U.S.-Iran conflicts and hawkish Fed signals, amplified by U.S. Treasury yield volatility and economic data.

- Early Week: Cautious sentiment from Houthi missile attacks on Israel (backed by Iran) pushed gold lower at the open, but losses were fully erased during U.S. trading hours as sentiment stabilized.

- Mid-Week: After a brief dip on Middle East concerns, gold rallied over 5% to two-week highs on Trump administration's de-escalation signals on Iran. Robust U.S. ADP data failed to lift the dollar, supporting gold's advance.

- Late Week: Trump's pledge of "aggressive strikes against Iran" reignited inflation fears; gold rebounded from near \$4,550/oz. Stronger-than-expected U.S. March non-farm payrolls dampened 2026 rate-cut bets, boosting the dollar and capping gold's upside.

Currently, the market is focused on uncertainties surrounding the U.S.-Iran conflict, leaving gold bulls on the sidelines. Meanwhile, bottom-fishing buying has emerged at periodic lows. A stable rebound will need to wait until the conflict eases. Gold is set to remain volatile in the short term.

II. Key Drivers Behind Gold's Volatility

1) U.S. Economic Indicators Drive Sharp Correction in Gold

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

➤ U.S. ADP Private Sector Employment Data

The number of private sector employment in the U.S. increased by 62,000 in March, far exceeding the market expectation of 41,000, with the previous value of 66,000. Although it slightly declined from the previous value, it was still significantly higher than expected, reflecting that the U.S. private sector job market remains stable.

➤ **U.S. Non-Farm Payroll Data**

U.S. non-farm payroll employment increased by 178,000 in March, significantly exceeding the market expectation of 65,000, the largest monthly increase since the end of 2024; the February non-farm payroll data was revised down from the initial estimate of a decrease of 92,000 to a decrease of 133,000; the March unemployment rate fell to 4.3%, lower than the expected and previous 4.4%; the number of continuing jobless claims remained low, highlighting the resilience of the labor market.

➤ **U.S. ISM Manufacturing PMI Data**

The U.S. ISM Manufacturing PMI rose from 52.4 in February to 52.7 in March, and the price paid index, an inflation indicator in the PMI survey, surged from 70.5 to 78.3, indicating a slight improvement in manufacturing expansion momentum and a significant increase in inflationary pressure.

(2) Impact on Gold:

U.S. economic data performed strongly overall this week, especially the employment data (ADP and non-farm payrolls) which significantly exceeded expectations, strengthening the Fed's policy expectation of "higher interest rates for longer", reducing the probability of a 2026 rate cut, and exerting continuous pressure on gold prices; the rise in manufacturing PMI and price paid index triggered inflation concerns, further intensifying pressure on gold.

2) Monetary Policy & Gold Market Impact

(1) Fed Developments & Official Views

Fed Actions

➤ **Federal Reserve Dynamics:**

Powell maintained a hawkish stance in his public remarks this week, once again warning of the risk of inflation rebound, especially emphasizing the re-inflation pressure brought by the sharp rise in the manufacturing price paid index, and clearly stating that if there are signs of inflation rebound, a resumption of interest rate hikes is not ruled out; he also reaffirmed that after May 15, he will continue to hold power as interim chairman and governor until Walsh is confirmed by the Senate. The market expects the monetary policy tone to remain stable during the transition period, with no drastic fluctuations in interest rate path expectations.

➤ **Summary of Federal Reserve Officials' Views**

- **Austan Goolsbee (President of the Federal Reserve Bank of Chicago):** He made remarks this week, emphasizing that interest rate cuts require seeing inflation cool down in conjunction with the recent strong employment data, implying that the timing of interest rate cuts will be delayed. **(Neutral to Dovish)**

- **Stephen Milan (President of the Federal Reserve Bank of Boston):** He reaffirmed this week that four interest rate cuts (a total of 100 basis points) need to be implemented in 2026, warning of the economic drag from geopolitical conflicts. **(Dovish)**

- **Thomas Barkin (President of the Federal Reserve Bank of Richmond):** He maintained a cautious and hawkish stance this week, warning of the re-inflation risk brought by rising energy prices, and emphasizing that he will only support interest rate cuts when inflation cools down continuously. **(Hawkish)**

(2) Market Watch Data

➤ **Prime Market Terminal Data:**

The CME FedWatch Tool shows the current Fed rate range is 3.50%-3.75%, with a significant probability reversal this week:

April: 99.5% unchanged, 0.5% 25bp hike (vs. 92.8%/7.2% last week);

June: 97.5% unchanged, 0.5% cumulative 25bp hike, 2.0% cumulative 25bp cut (vs. 90.7%/9.1%/8.4% last week);

End-2026: 74% unchanged, 26.3% hikes, 8.4% cuts. Traders' rate hike pricing heated up, with rate cut expectations cooling, reversing from last week's "betting on cuts" to "leaning towards hikes".

(3) Impact on Gold Prices

The Fed's hawkish stance has been consolidated, and interest rate cut expectations have continued to cool. The high-interest-rate environment exerts strong pressure on gold prices, with short-term volatile bottoming out as the main trend; after the April CPI and FOMC meeting, if there are clear signs of inflation cooling, interest rate cut expectations may warm up again, and gold prices may stabilize and rebound.

3) Yields, USD & Gold Dynamics

(1) Dollar Index Behavior

As of the New York close on Friday (April 3, early close for Good Friday), the U.S. Dollar Index (DXY), which measures the U.S. dollar against six major currencies, rose 0.19% to close at 100.218 in late trading. It rose slightly during the week, maintaining a strong volatility above the 100 mark overall. The U.S. dollar index received triple support from the better-than-expected March non-farm payroll data, the continuous escalation of Middle East geopolitical conflicts, and renewed concerns about inflation triggered by soaring oil prices. The core driver comes from the further deepening of the expectation of "higher interest rates for longer"; CME data shows that the probability of interest rate cuts within the year has dropped sharply, and interest rate hike expectations have heated up; the Middle East war has pushed up safe-haven buying, with funds pouring into U.S. dollar assets; non-U.S. currencies such as the euro and yen generally weakened, further boosting the U.S. dollar.

(2) US Treasury Yields & Gold Dynamics

As of the New York close on Friday (April 3) this week, U.S. Treasury yields of all maturities rose overall, with market expectations of inflation rebound and delayed interest rate cuts continuing to heat up. The U.S. 10-year Treasury yield rose 3.57 basis points to 4.343%; yields fluctuated sharply with a "first decline, then rise" trend during the week, mainly driven by the blowout March non-farm payroll data, inflation concerns triggered by soaring oil prices, and intensive hawkish voices from Fed officials. U.S. Treasuries suffered concentrated selling, with short-term and long-term yields rising synchronously, significantly increasing the opportunity cost of holding non-interest-bearing gold.

(3) Impact on Gold

The strengthening of the U.S. dollar index and the rise in U.S. Treasury yields directly push up the holding cost of gold, exerting obvious pressure on gold prices. Under the dual pressure, gold prices show a volatile downward pattern. Although the Middle East geopolitical conflict provides certain safe-haven support, the high-interest-rate expectation dominates the pricing logic, and the safe-haven attribute of gold is completely offset by the increase in holding costs.

4) Geopolitical Tensions & Safe-Haven Demand

(1) Geopolitical Tensions

① Continuous U.S.-Iran Conflict and Volatile Energy Prices

The confrontation between the two sides continues to escalate. Iran launched multiple rounds of missile and drone attacks, shooting down U.S. F-15E and A-10 fighter jets, and attacking U.S.-Israeli military bases and core facilities; Trump issued an ultimatum on April 6, requiring Iran to open the Strait of Hormuz, otherwise, a fierce attack will be launched. Iran firmly refused, and international mediation made no substantial progress. In a primetime TV speech at the White House on Thursday, Trump stated that his core "goal in Iran is close to completion". Nevertheless, he added that the United States will launch a "very fierce" attack on Iran in the next two to three weeks.

These remarks pushed up crude oil prices and reduced market expectations of interest rate cuts. The strengthened control of the Strait of Hormuz led to Brent crude oil up, inflation expectations heated up, and safe-haven sentiment hedged against high-interest-rate expectations.

② Progress of the Russia-Ukraine Conflict

The Russia-Ukraine conflict has become protracted, and Russian troops have made key breakthroughs. The Russian military achieved a major victory on the battlefield, announcing full control of the entire Lugansk Oblast on April 1, and advancing simultaneously in Donetsk and Kharkiv. With Western support, the EU's 14th round of sanctions against Russia took effect; the U.S. House of Representatives passed \$60 billion in aid to Ukraine, pending a vote in the Senate. In addition, Zelensky proposed a Easter ceasefire, while Russia demanded that Ukrainian troops withdraw from Donbas, with no signs of easing in the conflict.

③ Escalating Russia-U.S. Game in the Americas

Russian warships visited Cuba again to deliver energy, with U.S. troops tracking them throughout; sanctions were intensified but with limited enforcement. A delegation from the Russian State Duma visited the U.S. (for the first time in many years), stating that bilateral relations have fallen to an all-time low.

(2) Impact on Gold

Multiple geopolitical conflicts have strongly pushed up global safe-haven demand, providing underlying support for gold prices. However, the Middle East war has pushed up oil prices, intensified inflation rebound, combined with the Fed's "higher interest rates for longer" hawkish stance, forming a strong hedge. Long-short game has intensified, gold prices maintain a volatile seesaw pattern, and the safe-haven attribute and holding cost pressure continue to contend.

5) Tariff Turmoil Drives Gold Swings

(1) Tariff & Trade Policy Developments

➤ U.S. Reciprocal Tariffs Take Effect, Tariff Actions Against China Escalate

On the U.S. side, Trump signed an executive order on "global reciprocal tariffs" on April 2, with benchmark tariff rates of 34% on China, 20% on the EU, 24% on Japan, 25% on South Korea, and 46% on Vietnam; a 50% tariff was imposed on steel, aluminum, and copper raw materials (effective April 6, calculated on the full value), a 25% tariff on metal derivatives (with content >15%), and exemption for those with ≤ 15%; a 100% tariff was imposed on imported patented drugs (effective 120 days later for large pharmaceutical companies, 15% for the EU/Japan/South Korea, and zero tariff for the UK for 3 years). At the same time, the U.S. 301 investigation into China is progressing, with the deadline for written comments on April 15 and a hearing in early May; China launched an investigation into U.S. trade barriers on April 4, planning to impose reciprocal retaliatory tariffs.

➤ South Korea: Continuous Intensification of Anti-Dumping Against China

South Korea continues to intensify anti-dumping against China, extending the temporary anti-dumping duty on Chinese industrial robots (15.96%-19.85%) to May 20, launching an interim review of anti-dumping on Chinese PET resin (current rate 7.00%-7.98%), and maintaining the final high anti-dumping duties on Chinese carbon steel (28.16%-33.10%) and single-mode optical fiber (43.35%).

➤ **Other Economies: Differentiated Tariff Adjustments**

For other economies, the EU officially imposed a carbon tariff on steel, aluminum, and cement on April 1; India imposed zero tariffs on some chemicals on April 2, and an anti-dumping duty of \$216-421 per ton on Chinese beta-naphthol; the UK imposed zero tariffs on offshore wind power products on April 1, and plans to impose a 50% tariff on steel exceeding quotas; Cambodia imposed zero tariffs on new energy vehicles and 179 types of parts on April 1; Mexico imposed a 25%-50% tariff on non-free trade countries (including China).

(2) Impact on Gold

In terms of the impact of tariff policies, the rising global trade uncertainty pushes up safe-haven sentiment and supports gold prices; however, high tariffs exacerbate inflation rebound and delay Fed interest rate cut expectations, forming a hedge, and gold prices maintain a high-level volatile seesaw.

6) Gold Market Observation

1) Central Bank Gold Statistics: Central Banks Stay the Course on Gold in February — World Gold Council

① **Core Purchase Data:**

Central banks around the world bought a net 19 tons of gold in February, a significant rebound from the sluggish trend in January but lower than the 2025 monthly average of 26 tons; the cumulative net gold purchases in the first two months of this year were 25 tons, far lower than 50 tons in the same period last year. This rebound was mainly driven by Poland's large-scale purchases, reflecting central banks' continuous attention to gold reserve allocation, while the slowdown in cumulative growth reflects the prudence of central banks' gold purchase rhythm.

② **Main Buyers and Sellers:**

Poland was the largest buyer of the month (net purchase of 20 tons, the highest since February 2025); Uzbekistan made net purchases for the 5th consecutive month (8 tons), followed by the Czech Republic (2 tons), Malaysia (2 tons), China (1 ton), and Cambodia (1 ton) with simultaneous net purchases; Turkey (net sale of 8 tons) and Russia (net sale of 6 tons) were the main sellers. Turkey's reduction was mainly due to adjustments in Treasury holdings rather than a reduction in core central bank reserves, and Russia's reduction scale narrowed significantly compared with previous periods.

③ **Key Highlights:**

The Czech Republic has made net gold purchases for 36 consecutive months, China for 16 consecutive months, and Uzbekistan for 5 consecutive months; the continuous purchases of the three countries highlight the strategic position of gold in their foreign exchange reserves; Poland's gold reserves reached 570 tons (accounting for 31% of total reserves) with a target reserve of 700 tons. Its central bank governor proposed selling part of the gold reserves (planning to raise \$13 billion) for national defense and repurchasing later, but the specific implementation details of this proposal remain unclear.

④ **Other Points:**

Uzbekistan has made cumulative net purchases of 16 tons this year, with gold reserves reaching 407 tons (accounting for 88% of total reserves), and gold has become its core reserve asset; China's gold reserves reached 2,308 tons (accounting for 10% of total reserves), and continuous purchases highlight

the continuous promotion of reserve diversification; Turkey may have used about 50 tons of gold reserves for liquidity and foreign exchange operations in March, and the central bank clearly stated that these operations are mostly gold swaps, and the gold will return to reserves upon maturity; more African central banks (such as Uganda and Kenya) have begun to take gold as a strategic diversification tool, and Uganda plans to purchase at least 100 kilograms of gold from local artisanal, medium and large-scale gold producers between March and June to enhance its reserve strength.

⑤ **Conclusion:**

The rebound in central bank gold purchases in February reflects the core role of gold in reserves; with continuous efforts from traditional buyers such as Poland, as well as the participation of central banks from emerging markets in Southeast Asia and Africa, gold purchase demand is sustainable, but central banks may remain cautious about gold prices. Overall, central banks' demand for gold allocation has not decreased; they only pay more attention to cost-effectiveness in the timing and scale of purchases, avoiding blind purchases at high levels.

⑥ **Impact of Tariff Policies:**

The rising global trade uncertainty pushes up safe-haven sentiment and supports gold prices; however, high tariffs exacerbate inflation rebound and delay Fed interest rate cut expectations, forming a hedge, and gold prices maintain a high-level volatile seesaw. This two-way impact makes it difficult for short-term gold prices to form a clear trend, further affecting the gold purchase rhythm of some central banks, making them more inclined to purchase in batches at the right time.

III. Outlook & Key Catalysts

➤ **Next Week's Focus:**

April 7 (Mon): U.S. April NY Fed Manufacturing Index, Fed Chairman Jerome Powell's speech;

April 8 (Tue): U.S. Feb Trade Balance, April ISM Manufacturing PMI, Fed's Thomas Barkin's speech;

April 9 (Wed): U.S. API/EIA Crude Oil Inventories, Fed Vice Chairman Philip Jefferson's speech, March PPI;

April 10 (Thu): U.S. Weekly Initial Jobless Claims, March Core CPI, FOMC Voter Neel Kashkari's speech;

April 11 (Fri): U.S. April Michigan Consumer Sentiment Index, March Retail Sales;

Continuous Focus: U.S.-Iran conflict and Strait of Hormuz navigation, U.S. 301 investigation progress (deadline April 15), Middle East geopolitical risks, Fed officials' remarks and rate cut expectations, global trade changes;

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