



Future Gold Labs

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Weekly Gold Wrap

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I. Gold Price Recap

This Friday (New York time, April 10; Beijing time, early morning of April 11), COMEX gold futures closed at \$4,748.50/oz, down 0.91% on the day and up about 1.96% for the week, showing the characteristics of "rising and then pulling back with intensified volatility" with fierce long-short game. COMEX silver futures closed at \$76.345/oz, rising 4.73% for the week, as precious metals generally maintained high-level volatility with solid support.

This week, gold surged driven by the US-Iran ceasefire news, then fluctuated and closed higher affected by repeated geopolitical situations and US inflation data, with slightly insufficient upward momentum overall.

At the beginning of the week, the Middle East situation was tense. Over the weekend, Trump issued an ultimatum to Iran, demanding it open the Strait of Hormuz by 20:00 ET on Tuesday, otherwise it would attack its infrastructure; Iran responded that it would launch a "more devastating" retaliation, and gold price volatility was relatively mild at this time.

On Monday, the situation escalated: Trump reaffirmed that if Iran did not accept the agreement, it would destroy all its bridges and power plants by midnight, and Iran retorted that the threat was "wishful thinking". On the same day, the US released data: the March ISM Services PMI recorded 54, indicating steady expansion of service sector activities, but the employment sub-index plummeted to 45.2 and the prices paid index rose to 70.7, highlighting signs of inflationary pressure and employment decline.

On Tuesday, shortly before the deadline of the ultimatum, Trump announced a two-week temporary ceasefire with Iran, on the condition that Iran open the Strait of Hormuz. The news triggered a sharp drop in crude oil and a weakening US dollar, leading to a continuous rise in gold prices, which broke through \$4,850/oz in the noon of Wednesday, a new high since March 19.

In the second half of Wednesday, the market questioned the sustainability of the ceasefire, risk sentiment pulled back, and gold prices rose and then pulled back; Iran stated that Israel's attack on Lebanon violated the ceasefire and intercepted oil tankers in the Strait of Hormuz. On Thursday, Israel continued to attack Lebanon, Netanyahu announced that it would negotiate with Lebanon but emphasized "no ceasefire", and Trump criticized Iran's poor navigation performance, with market caution limiting the upward movement of gold prices.

On Friday, U.S. March CPI rose 3.3% YoY (in line with estimates), while core CPI climbed 2.6% YoY (slightly below forecasts). The figures helped gold hold its gains and close the week higher. Conflicting geopolitical signals kept prices volatile; the sustainability of any ceasefire will determine its next move.

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

➤ US March ISM Services PMI

The March ISM Services PMI recorded 54.0, which remained above the boom-bust line indicating continued expansion of the service sector, but the growth rate slowed down compared with the previous period. Among them, the employment sub-index dropped sharply to 45.2, a significant contraction from the previous value of 51.8, indicating a weakening of the service sector employment situation; at the same time, the prices paid index rose to 70.7, a significant increase from the previous value of 63, reflecting a marked increase in inflationary pressure on the enterprise input side.

➤ US Q4 Real GDP Final Value

The US Q4 real GDP final value was revised down to 0.5%, lower than the previous initial value, indicating a further weakening of economic growth momentum. The downward revision of the data was mainly dragged down by the slowdown in consumption and corporate investment, reflecting a weak momentum of US economic recovery.

➤ US Initial Jobless Claims

For the week ending April 4, initial jobless claims stood at 219,000, which was higher than both the previous reading and market expectations. This indicates a slight rise in new unemployment filings and a mild weakening in employment expansion—a "moderately negative" signal. Yet, it also reflects an easing of tightness in the labor market.

➤ US March CPI

The US March CPI rose 3.3% year-on-year, a sharp rebound from 2.4% in February, in line with market expectations. The core CPI rose 2.6% year-on-year, slightly lower than expectations but still higher than the previous value, with a clear upward trend in inflation, which continues to support the Federal Reserve's stance of delaying interest rate cuts.

(2) Impact on Gold:

This week's U.S. economic data pointed to rebounding inflation paired with weaker growth expectations and softer employment expansion. On one hand, the inflation pickup reinforced expectations of a delayed Fed rate cut, weighing on gold; on the other, slowing growth and softening jobs data boosted safe-haven demand. Amid mixed bullish and bearish forces, gold remained range-bound at high levels.

2) Monetary Policy & Gold Market Impact

(1) Fed Developments & Official Views

Fed Actions

➤ Federal Reserve Dynamics:

.Powell maintained a cautious wait-and-see stance this week, emphasizing that the energy price shock caused by the Middle East conflict is a short-term supply factor, and he tends to keep interest rates unchanged temporarily. However, he clearly warned that if rising energy prices push up long-term inflation expectations, the Federal Reserve will restart interest rate hikes to control inflation.

Meanwhile, regarding the progress of Wash's inauguration: the Senate Banking Committee confirmation hearing originally scheduled for April 16 has been postponed, with no new date set (possibly as early as April 21); the nomination process has slowed down significantly due to incomplete financial documents,

the controversy over Powell's criminal investigation, and obstruction by Republican senators. Powell reaffirmed that if Wash is not confirmed after May 15, he will continue to serve as acting chairman, with a stable policy tone during the transition period and no signal of drastic adjustment in the interest rate path.

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

-John Williams, President of the New York Fed: He believes that the current monetary policy is "in a good position" to strike a balance between controlling inflation and stabilizing employment, so there is no need to rush to cut or raise interest rates in the short term, and patience should be exercised to observe changes in data. **(Neutral)**

-Stephen Milan, President of the Boston Fed: He still insists on the view that four interest rate cuts totaling 100 basis points should be implemented in 2026, pointing out that the current high interest rate level has formed excessive constraints on economic activities, and loose policies are needed to ease the pressure. **(Dovish)**

-Jeffrey Schmid, President of the Kansas City Fed: He is vigilant about the inflation outlook, warning that energy prices pushed up by the Middle East situation may keep inflation hovering above 3% for a long time, opposing simply regarding the upward price movement as a temporary phenomenon, and interest rate cuts need to be more cautious. **(Hawkish)**

-Alberto Musalem, President of the St. Louis Fed: He stated that the current interest rate level is generally appropriate, and there is no urgent need for adjustment in the short term, but at the same time emphasized that the Federal Reserve has not closed the door to two-way policy adjustments and will make flexible decisions based on subsequent data. **(Neutral)**

(2) Market Watch Data

➤ **Prime Market Terminal Data:**

The CME FedWatch Tool shows the current current rate range 3.50%-3.75%; >90% probability of stable rates in April, June and end-2026; extremely low hike/cut odds. Market prices in no 2026 rate cuts, with cut expectations cooling further.

(3) Impact on Gold Prices

Prolonged high Fed rates, fading rate-cut expectations and a short-term inflation rebound weigh on gold. Yet the U.S.-Iran ceasefire eases dollar safe-haven demand, while weaker growth and employment offer support, keeping gold volatile at highs. Medium-term rebound possible if April CPI falls or FOMC turns dovish.

3) Yields, USD & Gold Dynamics

(1) Dollar Index Behavior

As of the New York close on Friday (April 10), the US Dollar Index (DXY), which measures the US dollar against six major currencies, fell 0.18% to close at 98.645, falling for consecutive days this week, breaking below the two major integer levels of 99 and 100, a new low in 21 months. The core drivers come from three major bearish factors: first, the easing of the Middle East situation and the US-Iran temporary ceasefire agreement have led to the rapid fading of the safe-haven premium supporting the US dollar; second, the recovery of Federal Reserve interest rate cut expectations, although the March CPI rebounded to 3.3% year-on-year, the core inflation was slightly lower than expected, and market pricing for interest rate cuts within the year has warmed up again, suppressing the strength of the US dollar; third, non-US currencies generally rebounded, with the euro, British pound, Japanese yen and others supported by their respective regional economic data and policy expectations, further dragging down the US dollar index.

(2) US Treasury Yields & Gold Dynamics

As of the New York close on Friday (April 10), US Treasury yields of all maturities rose intraday but fell slightly for the whole week. The US 10-year Treasury yield rose 3.97 basis points to close at 4.315%; it fell slightly by 2.36 basis points for the whole week. Short-term drivers: intraday, yields rebounded slightly affected by the temporary recovery of inflation concerns after the release of the March CPI data; for the whole week, yields were under overall pressure due to the easing of the Middle East situation, the outflow of safe-haven funds from US Treasuries, and the Federal Reserve's neutral and slightly dovish policy expectations. The opportunity cost of holding non-interest-bearing gold has declined.

(3) Impact on Gold

Weak dollar and lower yields supported gold, with its safe-haven/anti-inflation value re-emerging. Short-term strength likely if dollar stays weak; watch April FOMC and geopolitical twists.

4) Geopolitical Tensions & Safe-Haven Demand

(1) Geopolitical Tensions

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

Two-week ceasefire (April 8-22) reached on April 7, with Iran opening the strait and US pausing strikes. Pre-ceasefire: Fierce confrontations; US troops in Middle East reached 51,000. Post-ceasefire: Sporadic frictions; strait navigation recovered to ~10% of normal. 24-hour negotiation deadline (April 11-12); core differences on US withdrawal, nuclear program, sanctions and strait control. Oil prices fluctuated; energy inflation concerns cooled cut expectations.

② Progress of the Russia-Ukraine Conflict

Putin announced a 32-hour Easter ceasefire (April 11-12); both sides rested. Post-ceasefire: Fighting resumed; core contradictions unchanged. US \$60bn aid to Ukraine advanced to Senate; EU's 14th Russia sanctions took effect. Zelensky's "energy truce" rejected; conflict to be long-term.

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

Limited diplomatic contacts, intense military confrontation; Russian warships docked in Cuba, US expanded sanctions but with weak implementation.

④ Other Regions:

US-ROK joint exercises in Asia-Pacific; Red Sea shipping costs rose due to Houthi attacks.

(2) Impact on Gold

Multiple geopolitical conflicts have provided underlying support for gold prices, while the pressure from high oil prices and high interest rates has formed a hedge. Gold prices have maintained volatility, showing a long-short game situation, jointly affected by geopolitical situations, inflation expectations and policy orientation.

5) Tariff Turmoil Drives Gold Swings

(1) Tariff & Trade Policy Developments

➤ US Steel, Aluminum, Copper and Pharmaceutical Tariffs Take Effect; High Tariffs on China Maintained

On April 6, the US adjusted import tariffs in accordance with Section 232 of the Trade Expansion Act of 1962, which fully took effect: a 50% tariff was imposed on imported steel, aluminum and copper raw materials based on their full value; a uniform 25% tariff was imposed on metal derivatives (with content > 15%), and products with content ≤ 15% were exempted from tax; a 15% temporary tariff ceiling was set for some industrial equipment (valid until the end of 2027). At the same time, a 100% tariff was imposed

on imported patented drugs (effective in 120 days for large pharmaceutical companies and 180 days for small and medium-sized enterprises), with a 15% preferential tariff for drugs from the EU, Japan and South Korea, and 10% for the UK. On April 7, the US Trade Representative publicly announced that it would maintain all high tariffs on China, covering nearly \$300 billion of US-bound goods from China, and reaffirmed the advancement of the Section 301 investigation against China, with a hearing scheduled for early May.

➤ **China Continues Countermeasures Against the US and Adjusts Export Tax Rebates for Some Products**

Countermeasures against the US and trade barrier investigations continued, with plans to impose reciprocal tariffs. Starting from April 1: export tax rebates for 248 products such as photovoltaic, lithium battery and graphite were canceled.

➤ **Tariff Dynamics of Other Major Economies**

The EU's Carbon Border Adjustment Mechanism (CBAM) officially took effect on April 1, with a levy of about 80 euros per ton on products such as steel, aluminum and cement; South Korea continued to maintain high anti-dumping duties on Chinese products such as industrial robots (15.96% - 19.85%), carbon steel (28.16% - 33.10%) and single-mode optical fiber (43.35%). The UK and India implemented zero-tariff policies on 33 offshore wind power components and 41 chemical raw materials respectively, while Mexico imposed 25% - 50% tariffs on non-free trade partners including China.

(2) Impact on Gold

Trade frictions boosted safe-haven demand (bullish); high tariffs intensified imported inflation, strengthening high-rate expectations (bearish), leading to volatile tug-of-war.

6) Gold Market Observation

Gold ETF Flows: March 2026— World Gold Council

1. Key Highlights

- Global gold ETFs recorded a record net outflow of \$12 billion in March, halving the global net inflow in the first quarter, but still achieving 7 consecutive quarters of net inflow.
- Asian capital continued to flow in significantly, setting a record high for a single quarter, fully offsetting the massive sell-off of capital in Europe and the US.
- Despite the sharp correction in gold prices in March, global gold market liquidity remained ample, with trading volume rebounding significantly.

2. Overview of March and Q1

- Global gold ETFs had a net outflow of \$11.835 billion in March, the largest monthly outflow in history; holdings decreased by 84.8 tons.
- The overall net inflow in the first quarter was still 62 tons, the 7th consecutive quarter of net inflow. At the end of the quarter, the global gold ETF assets under management (AUM) reached \$606.5 billion, 9% higher than the full-year 2025 level.
- Asia recorded the strongest quarterly capital inflow in history, with continuous net inflow in March, offsetting the outflow in Europe and the US.

3. Regional Flows

➤ **North America (Main Outflow Region)**

- A net outflow of \$13.521 billion in March ended the 9-month consecutive inflow trend, the largest monthly outflow in history.

- Main reasons: downward risk appetite triggered by Middle East geopolitics, CTA liquidation, rising US dollar and US Treasury yields, and significantly delayed interest rate cut expectations.

➤ **Europe**

- A slight net outflow of \$154 million in March, with almost zero net inflow in the first quarter.
- Germany, Italy and France were the main sellers; the ECB's maintenance of high interest rates and the weakening euro suppressed gold demand.

➤ **Asia (Only Region with Strong Inflow)**

- A net inflow of \$1.868 billion in March, the 7th consecutive month of inflow; the cumulative inflow in the first quarter was \$14 billion, a record high.

- China led the inflow: geopolitical safe-haven demand, weak stock market and currency depreciation drove allocation demand.

- India continued to increase holdings, with a net inflow of \$177 million in March and a cumulative inflow of \$3 billion in the first quarter.

➤ **Other Regions**

A slight net outflow, mainly from Australia, with strong overall resilience.

4. Market Trading and Holdings

- The global average daily gold trading volume in March was \$525 billion, up 11% month-on-month, with ample liquidity.

- COMEX gold net long positions decreased slightly, and speculative funds concentrated on liquidation when prices plummeted in the middle of the month.

- Among the world's major gold ETFs, Chinese ETFs such as Huaan, E Fund and Bosera ranked among the top ten in capital inflow; US SPDR and iShares had the largest outflows.

5. Summary of Key Drivers

Bearish Factors (Outflow in Europe and the US): Delayed interest rate cut expectations, strong US dollar, CTA trend liquidation, and liquidity withdrawal.

Bullish Factors (Inflow in Asia): Geopolitical safe-haven demand, currency depreciation, dip buying, and asset allocation demand.

Conclusion: The capital withdrawal in the West was undertaken by the continuous inflow in the East, and the overall demand foundation for gold remains solid.

III. Outlook & Key Catalysts

➤ **Next Week's Focus:**

Apr 15 (Mon): US April NY Fed Manufacturing Index, Fed Governor Harker's speech;

Apr 16 (Tue): US March Housing Starts, US April ISM Non-Manufacturing PMI;

Apr 17 (Wed): US API/EIA Crude Oil Inventories, US March Industrial Production;

Apr 18 (Thu): US Weekly Initial Jobless Claims, US March New Home Sales;

Apr 19 (Fri): US April Michigan Consumer Sentiment Index (Final), US March Core PCE Price Index;

Continuous Focus: US-Iran temporary ceasefire implementation and negotiation progress, Strait of Hormuz navigation control dynamics, finalization of US Section 301 investigation written comments (deadline Apr 15), Middle East geopolitical risk spillover, Fed officials' remarks and rate cut expectations, global trade situation changes, etc.

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