



Future Gold Labs

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Weekly Gold Wrap

2026/05/10

I. Gold Price Recap

This Friday (May 8, New York time; May 9, Beijing time), COMEX gold futures rose 0.35% to settle at USD 4,727.40/oz, posting a 1.78% weekly gain. COMEX silver futures climbed 0.88% to USD 80.885/oz, with a 5.81% weekly increase.

Gold traded low early, high late, this week, supported by a weaker USD, falling oil prices, continued central bank gold purchases, and cautious optimism over a potential US-Iran ceasefire, marking its first weekly gain in three weeks.

Monday: Geopolitical tensions in the Strait of Hormuz worsened; safe-haven demand faded, triggering a nearly 2% single-day drop in gold. The US announced “Operation Freedom” to escort vessels in the Strait; Iran retaliated strongly, stating the US action violated the ceasefire and attacked US warships, keeping gold under pressure.

Tuesday: Risk sentiment improved; suspected Japanese currency intervention weakened the USD. Meanwhile, the US suspended “Operation Freedom,” citing significant progress in US-Iran peace talks, easing geopolitical risks and triggering a gold rebound.

Wednesday: Reports of an imminent US-Iran ceasefire sharply reduced geopolitical safe-haven demand and boosted risk appetite. Gold extended its rebound, posting its largest single-day gain of the week.

Thursday: Gold continued rallying to a two-week high, but renewed US-Iran clashes in the Strait heightened uncertainty, cooled sentiment, and erased all intraday gains, closing flat.

Friday: Trump confirmed the US-Iran ceasefire remained in effect, stabilizing gold above USD 4,700/oz. The US April nonfarm payrolls beat expectations sharply overnight but failed to boost the USD, leading gold to a steady weekly close.

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 April Nonfarm Payrolls

April nonfarm payrolls rose by 115,000, well above the 62,000 consensus; March was revised up from 178,000 to 185,000.

➤ US April Unemployment Rate & Average Hourly Earnings

April unemployment rate held steady at 4.3%, in line with expectations and below the Fed's 4.5% annual target, reflecting a resilient labor market. Average hourly earnings rose 0.2% MoM (vs. 0.3% expected) and 3.6% YoY (vs. 3.8% expected), indicating softer wage growth.

➤ **University of Michigan Consumer Sentiment & Inflation Expectations (May)**

May consumer sentiment fell to 48.2 (vs. 49.8 in April), a record low, as high oil prices and rising living costs deepened economic pessimism. One-year inflation expectations eased to 4.5%; five-year long-term inflation expectations declined to 3.4%, both still above the Fed's 2% target.

➤ **US April Services Composite (ISM & S&P PMI)**

April ISM Services printed 53.6, still in expansion but below expectations and the prior reading. S&P Services PMI final was 51.0, also modestly lower. Overall, services activity expanded moderately but lost momentum, pointing to slowing economic growth.

➤ **US Initial Jobless Claims**

Initial claims were 200,000 (vs. 205,000 expected), with the prior revised up from 189,000 to 190,000. While up 10,000 week-on-week, claims remain historically low, signaling controlled layoffs and no acute labor market deterioration.

➤ **March JOLTS Job Openings**

March job openings edged down to 6.87 million from 6.92 million, reflecting slightly softer hiring intent and easing labor market tightness.

(2) Impact on Gold:

US data this week showed a mixed picture: resilient employment, softer wage/inflation expectations, and cooling consumer/services momentum. The interplay of bullish and bearish factors led to two-way volatility in gold.

2) Monetary Policy & Gold Market Impact

(1) Fed Developments & Official Views

➤ **Internal divisions widened this week.**

① **Hawkish Views**

-Beth Hammack, President, Cleveland Fed: Opposed holding rates steady at the April meeting; inflation stalled, no June rate cut; Middle East conflicts raise energy inflation risks; the “next move is a cut” language in the statement was inappropriate. (Hawkish)

-Susan M. Collins, President, Boston Fed: Supported removing “easing bias” from the FOMC statement; policy should remain restrictive for longer; inflation risks tilt upside, premature cuts risk a rebound. (Hawkish)

-Christopher Waller, Fed Governor: Q1 inflation rebounded more than expected, making a June cut inappropriate; high rates must persist until inflation falls sustainably; economic resilience means cuts could trigger an inflation rebound. (Hawkish)

-Lorie Logan, President, Dallas Fed: Inflation is not progressing toward the 2% target; high oil prices exacerbate persistence, requiring higher rates for longer; opposes early cuts, as current rates are not sufficiently restrictive. (Hawkish)

② **Neutral-Hawkish Views**

-John C. Williams, President, New York Fed: Middle East tensions trigger supply shocks and energy price hikes, lifting inflation risks; current rates are sufficiently restrictive, no near-term hike; rate cuts will be delayed pending sustained inflation declines.

-Jerome Powell, Fed Chair: April meeting divisions reflect dual inflation-employment uncertainty; higher

rates for longer are appropriate, June cut odds are low; policy is data-dependent.

-Philip Jefferson, Fed Vice Chair: Inflation cooling slowed but did not reverse; more data is needed, opposes a June cut; rising Middle East risks warn of inflation rebounds.

③ Dovish Views

-Austan Goolsbee, President, Chicago Fed: Inflation's decline persists, and excessive high rates harm growth; despite Middle East-driven inflation risks, opposes hikes and favors a cautious July cut.

-Stephen Miran, Fed Governor: Inflation's decline is clear, and high rates curb activity; cooling April jobs data calls for early cuts to mitigate downside risks, supports a 25bp June cut.

(2) Market Watch Data

➤ Prime Market Terminal Data:

.Per latest CME FedWatch data, the Fed's policy rate stands at 3.50% – 3.75%. Markets price a 94.9% chance of steady rates in June and a mere 5.1% probability of a 25bp cut. Rate cut expectations have faded sharply, with a delayed easing cycle now consensus. Persistent inflation risks could even prompt renewed hikes, cementing the “higher for longer” rate narrative.

(3) Impact on Gold Prices

Dominant Fed hawkishness and diminished cut expectations cap gold near term. However, policy rifts and geopolitical uncertainty offer safe-haven support, keeping prices in a range-bound, volatile pattern

3) Yields, USD & Gold Dynamics

(1) Dollar Index Behavior

As of Friday's (May 8) New York close, the DXY fell 0.17% to 97.900, marking a 0.72% weekly loss—its second straight weekly decline. The dollar weakened amid easing geopolitics, soft economic data, and deepening USD credibility concerns. Suspected Japanese intervention (selling USD, buying JPY) boosted yen liquidity, curbed USD/JPY strength, and weighed on the DXY, compounded by official warnings that diminished the dollar's unilateral dominance.

(2) US Treasury Yields & Gold Dynamics

The 10-year benchmark yield fell 3.19bps to 4.3541% on Friday, down 1.57bps week-on-week, with long-end yields notably lower. Key drivers:

-Data uncertainty: Soft wage/inflation expectations and cooling consumer/services activity stoked growth concerns, lifting bonds and lowering yields.

-Easing geopolitics: Diminished Middle East tensions reduced safe-haven demand, capping long-end yields.

-Fading inflation fears: Improved geopolitical sentiment and lower oil prices cooled inflation expectations, easing upward pressure on yields.

(3) Impact on Gold

A weak dollar and lower long-term Treasury yields, paired with recurring Middle East risks and sustained central bank buying, strongly supported gold. Uncertainty over Fed cuts and lingering inflation concerns, however, kept gains in check, resulting in choppy upside driven by shifting rate expectations and geopolitics.

4) Geopolitical Tensions & Safe-Haven Demand

(1) Geopolitical Tensions

➤ Middle East: U.S.-Iran Rivalry

Tensions in the Strait of Hormuz intensified repeatedly this week. On May 4, the US launched

“Operation Freedom” to escort vessels, prompting Iranian warning fire and the first naval skirmish. Conflict flared again May 7 – 8, with Iran firing missiles/drones at US ships (alleging US strikes on Iranian tankers/civilians) and US forces retaliating against Iranian coastal sites. Spillover attacks hit the UAE, disrupting shipping and lifting oil prices.

Iran has delayed responding to the US's 14-point reconciliation memo. Secretary Rubio awaits a reply. Despite escalating clashes, Trump publicly downplayed tensions, affirming the ceasefire remains in effect while warning Iran of “more severe” military action if it rejects the deal.

➤ **Progress of the Russia-Ukraine Conflict**

Both sides announced temporary ceasefires this week for Victory Day. Russia declared a unilateral truce May 8 – 9 to mark the 81st anniversary of WWII victory and safeguard Moscow's Red Square parade. Ukraine followed suit with a truce starting May 6—the first synchronized de-escalation signal in over four years of war. Tensions persist, however: Russia urged foreign nationals to leave Kyiv, and both sides accused each other of violations, framing the truce as a tactical pause.

Meanwhile, European tensions mounted. The EU imposed its 19th round of Russia sanctions May 6, broadening energy restrictions, freezing assets, and tightening third-party trade controls. The move lifted European energy prices, deepened EU divisions, and strained NATO unity.

(2) Impact on Gold

Escalating US-Iran tensions in the Strait of Hormuz boosted oil prices and safe-haven demand, supporting gold near term. Russia-Ukraine's tactical truce did not resolve long-term risks, and EU sanctions added uncertainty, underpinning gold's safe-haven appeal.

Conversely, conflict-driven energy inflation could delay Fed hikes, strengthening the dollar and real rates to cap gold's upside, resulting in a moderately bullish, volatile trend.

5) Tariff Turmoil Drives Gold Swings

(1) Tariff & Trade Policy Developments

➤ **Court Rejects Trump's Tariff Policy; Extension Prospects Dim**

On May 7, the U.S. Court of International Trade formally ruled that the 10% global substitute tariff previously imposed by the Trump administration lacks legal basis and is invalid, dealing another blow to U.S. unilateral tariff protectionism. The Trump administration plans to appeal before the ruling takes effect, and the tariff policy is set to expire in late July, leaving limited room for extension.

➤ **Surge in China trade probes**

Multiple nations launched trade remedy investigations against China this week. The US initiated anti-dumping/countervailing duty (AD/CVD) probes on tinplate and chemicals, and finalized sunset reviews on steel products. Australia and Pakistan launched anti-dumping probes on Chinese titanium dioxide and color-coated sheets, respectively.

(2) Impact on Gold Prices

The invalidation of US tariffs and rising global trade uncertainty boosted safe-haven demand for gold. Friction stoked inflation and supply chain disruption fears, enhancing gold's appeal as an inflation hedge and store of value, supporting prices near term.

6) Gold Market Observation

World Gold Council: Gold ETF Commentary -The West returns to the fold

1. Gold ETF Commentary: Capital Flows Return to Gold – April Review

After sharp outflows in March, global physical gold ETFs returned to inflows in April, attracting USD 6.6 billion across all regions, led by Europe.

April inflows lifted global gold ETF AUM to USD 615 billion (up 1% MoM) and holdings to 4,137 tonnes (up 1% MoM), the third-highest on record, just below the all-time peak of 4,176 tonnes on February 27, 2026. Trading volumes moderated MoM but stayed above the 2025 average, keeping liquidity ample.

2. Key Takeaways

- **Flows:** April 2026 saw USD 6.6 billion in global gold ETF inflows (vs. March outflows), led by Europe; Asia recorded 8 consecutive months of steady inflows.
- **Size & Holdings:** Global gold ETFs hit USD 615 billion AUM / 4,137 tonnes, a record third high, reflecting strong allocation demand.
- **Drivers:** Geopolitical risks, energy/inflation concerns, weaker EU/US equities, and dovish Fed expectations boosted gold ETF demand; a stronger USD and higher Treasury yields capped North American inflows.
- **Trading & Positioning:** Liquidity remained elevated but cooled; COMEX speculative net longs fell 4% in April, signaling reduced near-term institutional bullishness.
- **Regional Trends:** Europe/US driven by geopolitics and monetary policy; China, India, and Asia as stable long-term allocation pillars.

3. Regional Performance

- **North America:** Turned inflows of USD 1 billion in April. Early-month buying emerged as gold rebounded from March lows; late-month US-Iran tensions, a stronger USD, and higher yields lifted gold's opportunity cost, slowing inflows.
- **Europe:** Surged USD 3.7 billion in April, turning YTD flows positive. UK, Switzerland, and Germany led; geopolitics-driven energy/inflation fears, weaker domestic equities, and less hawkish-than-expected BoE stance boosted safe-haven gold allocations.
- **Asia:** 8 consecutive months of inflows, adding USD 1.8 billion in April. China led: Hong Kong gold ETFs hit a monthly inflow record on new product launches; mainland ETFs saw steady inflows amid geopolitics, lower yields, and official buying. India (11 straight months) and Japan also recorded stable inflows.
- **Other Regions:** Small steady inflows, led by Australia and South Africa.

4. Trading & Positioning Trends

Global gold average daily trading volume fell 24% MoM to USD 398 billion in April, still above the 2025 average of USD 361 billion, keeping liquidity ample. OTC, exchange, and ETF volumes all moderated. COMEX speculative net longs fell 4% MoM to 477 tonnes in April: modest early-month buying and late-month selling pressured overall longs, with retail sentiment also weakening.

5. Key Data

Global gold ETF holdings rose 45.1 tonnes in April, with a YTD increase of 107.5 tonnes. The UK, US, China, India, and Japan are the top countries for gold ETF AUM and inflows.

III. Outlook & Key Catalysts

➤ Next Week's Focus:

May 12 (Mon): US April CPI

May 13 (Tue): US April PPI

May 14 (Wed): US initial jobless claims, April import/export prices

May 16 (Fri): US March business inventories

Key Focus: Middle East (US-Iran) geopolitical/shipping risks; Fed officials' remarks on June rate cut

expectations; US tariff policy developments; USD/Treasury yield volatility impact on gold.

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