Future Gold Labs

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Weekly Gold Wrap

2026/05/31

I. Gold Price Recap

This Friday (May 30, New York time; May 31, Beijing time), COMEX gold futures rose 0.40% over the week, closing at $4,574.50/oz, and posted a cumulative loss of 2.27% for May. COMEX silver futures fell 0.73% for the week, settling at $75.640/oz. Progress in the U.S.-Iran ceasefire negotiations and diminished expectations for Federal Reserve rate hikes pushed gold prices higher. The prospect of a U.S.-Iran deal weighed on crude oil prices, which helped ease global inflation risks.

Gold swung sharply this week amid alternating U.S.-Iran tensions, U.S. inflation and economic data. It fell first then rebounded, ultimately holding above $4,500/oz. Its trend will hinge on U.S.-Iran negotiation outcomes and U.S. employment data.

-Monday: U.S. Memorial Day. Financial markets closed; thin trading led to limited gold volatility.

-Tuesday: Middle East tensions flared. The U.S. launched airstrikes on Iranian missile sites and mine-laying vessels in southern Iran, citing self-defense. Iran warned of strong retaliation. Gold turned down, falling over 1%.

-Wednesday: Losses extended, hitting a two-month low. Iran’s state TV reported an informal MOU framework including U.S. troop withdrawal and sanctions relief, briefly boosting sentiment. Yet Trump said “no hasty deals,” and Iran struck U.S. bases, turning sentiment cautious again.

-Thursday: Gold slid further to a fresh low in European hours, then rebounded strongly to close higher. Multiple outlets reported a U.S.-Iran MOU, confirmed by the White House pending Trump’s approval; Iran’s Tasnim News Agency said the text was not finalized. U.S. data: April PCE rose 3.8% YoY (prior 3.5%), core PCE 3.3% YoY (in line); Q1 annualized GDP revised down to 1.6% (preliminary 2%). A weaker dollar pushed gold back above $4,500/oz.

-Friday: Markets awaited official U.S.-Iran news with caution. COMEX gold stabilized above $4,500/oz through the weekend

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. April Personal Consumption Expenditures (PCE) Price Index**

U.S. headline PCE rose 3.8% year-on-year in April, edging up from 3.5% in March, pointing to renewed inflationary pressures. Meanwhile, core PCE increased 3.3% year-on-year, matching market forecasts and remaining well above the Federal Reserve's 2% inflation target, reflecting persistent inflation stickiness in the U.S.

➢ **U.S. May PMI Data**

The Chicago Purchasing Managers' Index (PMI) jumped sharply to 62.7 in May from 49.2 in the prior month, far exceeding the market expectation of 50.5, indicating a notable recovery in manufacturing activity.

➢ **Revised U.S. Q1 GDP Data**

The annualized growth rate of U.S. GDP for the first quarter of 2026 was revised down from the initial 2% to 1.6%. The downward revision suggests a marked slowdown in U.S. economic growth momentum in Q1, and the overall economic recovery was weaker than previously estimated.

(2) Impact on Gold:

Elevated inflation and stronger-than-expected PMI data briefly weighed on gold prices. Nevertheless, the substantial downward revision of Q1 GDP cooled market expectations for interest rate hikes, which was overall bullish for gold and drove prices to rebound after hitting a bottom.

2) Monetary Policy & Gold Market Impact

(1) Fed Developments & Official Views

Multiple Federal Reserve officials delivered cautious remarks this week with an overall moderate stance. Following the improved progress of U.S.-Iran negotiations, Fed officials held divergent views and adopted a prudent attitude. Market expectations for interest rate hikes eased significantly, supporting gold's rebound.

➢ **Official Views:**

-Mary Daly, President of the Federal Reserve Bank of San Francisco: The Fed needs to stabilize prices, but not at the cost of damaging the economy.

-Anna Paulson, President of the Federal Reserve Bank of Philadelphia: High inflation drags on economic growth and makes it difficult for enterprises to formulate long-term plans. Inflation has remained excessively high even before the outbreak of regional conflicts. Keeping interest rates unchanged allows the Fed more time to assess economic data, and the current monetary policy is generally appropriate.

-Michelle Bowman, Federal Reserve Governor: The pace of inflation deceleration has slowed. If high inflation driven by geopolitical conflicts persists, she may adjust her stance on monetary policy.

-Jeffrey Schmid, President of the Federal Reserve Bank of Kansas City: The current oil price shock should not be regarded as a short-term issue, and the Fed needs to further consider tightening monetary policy.

(2) Market Watch Data

➢ **Prime Market Terminal Data：**

Per CME FedWatch on May 29, the federal funds rate stays at 3.50% – 3.75%. Markets price a 99.4% chance of unchanged rates and 0.6% odds of a 25bp hike at the June FOMC. Optimism over U.S.-Iran talks pulled oil and inflation expectations lower. Markets scaled back full-year rate hike expectations and slightly raised long-dated rate cut bets, mitigating the drag from high interest rates.

(3) Impact on Gold Prices

The cautious stance and divided views among Fed officials, combined with positive signals from U.S.-Iran negotiations, cooled market expectations for interest rate hikes. The Fed is highly likely to keep interest rates steady in the short run, and the downward pressure from high interest rates has weakened.

3) Yields, USD & Gold Dynamics

(1) Dollar Index Behavior

The DXY traded sideways with mild losses this week. Easing Middle East tensions, falling oil prices and dovish Fed comments cooled rate hike expectations. Still, resilient U.S. data and elevated yields underpinned the dollar, limiting downside. It hit a seven-week high of 99.54 on Thursday and closed near 98.80.

(2) US Treasury Yields & Gold Dynamics

U.S. Treasury yields fell across tenors, with longer-dated yields leading the decline. The 10-year yield dipped 1.18bp to 4.4355%, down 12.23bp over four trading days and up 6.48bp for May.

Drivers included easing inflation and rate hike concerns, soft economic data and solid demand at the 7-year Treasury auction, which boosted bond prices and dragged yields lower.

(3) Impact on Gold

Lower dollar and Treasury yields, combined with easing rate hike expectations, supported gold's short-term rebound. Persistent high interest rate expectations will cap upside, keeping gold range-bound after the rally.

4) Geopolitical Tensions & Safe-Haven Demand

(1) Geopolitical Tensions

1) **U.S.-Iran geopolitical conflicts in the Middle East**

The U.S. and Iran reached a 60-day ceasefire MOU, with Trump to make the final ruling. The U.S. will lift maritime blockades on Iran. The two sides will continue nuclear negotiations during the ceasefire period. The U.S. set three prerequisites: Iran shall reopen the Strait of Hormuz, hand over enriched uranium and fully terminate its nuclear program. If the deal takes effect, the Strait of Hormuz will resume full navigation and U.S. naval blockades will be lifted. Reuters cited Iranian sources saying the two sides have reached a consensus on ceasefire, pending final confirmation.

Easing tensions dragged crude oil lower, posting its first monthly decline in five months. The market expects diplomatic solutions to unlock crude supply in the Persian Gulf and ease global energy pressure. Cooling energy prices mitigate inflation risks, leaving more room for global central banks to pause policy tightening.

2) **Progress of the Russia-Ukraine Conflict**

.As of May 31, Russian forces kept advancing along frontlines including Donetsk. Fierce battles continued, with both sides launching strikes against each other's domestic facilities. Huge divergences over territorial claims make a comprehensive ceasefire impossible for now. As the U.S. shifts focus to the Middle East, Western aid to Ukraine slows gradually. The conflict remains in a prolonged standoff.

(2) Impact on Gold

Ceasefire hopes between the U.S. and Iran pulled down oil prices and inflation expectations, weakening the U.S. dollar and Treasury yields and supporting gold. The lingering Russia-Ukraine conflict offers partial safe-haven support. Gold is mainly driven by rate expectations and trades with a mild bullish bias.

5) Tariff Turmoil Drives Gold Swings

① Tariff & Trade Policy Developments

- **U.S.-China Tariff Developments**

The two sides agreed on a framework for reciprocal tariff cuts covering $300 billion worth of goods. Specific details are yet to be finalized, and the measures have not been implemented as of May 26.

- **U.S. Appeal against Tariff Refund Ruling**

On May 29-30, the U.S. government filed an appeal against the ruling on tariff refunds. As of May 22, U.S. enterprises submitted refund claims totaling around $85 billion for tariffs previously ruled invalid by the Supreme Court.

- **U.S.-EU Tariff Arrangements**

On May 26, Trump approved the EU's request to extend tariff negotiations to July 9, delaying the proposed 50% tariffs on EU goods scheduled for June 1. The removal of the EUR 150 small parcel exemption and the 15% cap on industrial goods tariffs will take effect between June and July, with no new official announcements this week.

- **Other Tariff Moves**

The U.S. announced plans to impose tariffs of up to 25% on Mexican goods starting in July. Indonesia cut import tariffs on home textiles.

② **Impact on Gold Prices**

Moderating U.S.-China and U.S.-EU trade frictions reduced safe-haven demand and weighed on gold. Frequent policy adjustments, the tariff appeal and upcoming tariffs on Mexico sustained market uncertainty and limited gold's downside.

6) Gold Market Observation

Tokenized Gold Hits $5 Billion on the RWA Market — SIX Network

- **1. Market Overview of Tokenized Gold**

Early May 2026 data shows total tokenized commodities reached $5.7 billion. a16z crypto data records tokenized commodities at $5.07 billion in total, among which tokenized gold accounts for $5 billion, occupying 98% of the market, while silver, crude oil and other commodities make up the remaining 2%. The figure proves gold still enjoys the highest recognition and trust worldwide.

- **2. Growth Drivers of Tokenized Gold**

Rising demand comes from crypto investors seeking digital holdings of physical gold. Issuers such as XAUt and PAXG purchase physical gold and store it in institutional-grade vaults, issuing tokens at a 1:1 ratio. Token holders effectively own physical gold, which can be traded and transferred instantly without intermediaries.

- **3. Why Gold Dominates Commodity Tokenization**

Gold is a globally recognized asset with cross-cultural value consensus and mature traditional custody systems. Tokenization only upgrades its trading efficiency and transparency without changing its inherent value.

The crypto industry has long referred to Bitcoin as "digital gold", so the market readily accepts physical gold-backed tokens.

- **4. Industry Implications**

Gold's 98% market share fully validates the feasibility of real-world asset tokenization. Assets with solid credibility, complete supporting systems and broad market recognition can attract large inflows of capital. Crude oil, agricultural products, emerging market real estate and SME revenue rights also carry intrinsic value, but their tokenization stays limited due to immature on-chain infrastructure.

(Note: The tokenized commodities sector includes gold, silver, crude oil and other products, with a total market value of around 5.07 billion US dollars. Tokenized gold alone reaches 5 billion US dollars, accounting for approximately 98% of the entire tokenized commodities market.)

5. SIX Network's Strategic Layout

SIX Network regards gold tokenization as a starting point rather than an end. Its blockchain infrastructure supports multiple asset classes. In 2026, it will focus on improving underlying facilities to bring more physical assets on-chain.

Given gold's $5 billion scale in the RWA market, other real assets hold huge growth potential, which is the core opportunity for SIX Network.

III. Outlook & Key Catalysts

Next Week's Focus:

Jun 2 (Mon): U.S. April JOLTS Job Openings
Jun 3 (Tue): U.S. May ADP Employment Change; Fed Beige Book
Jun 4 (Wed): U.S. May ISM Non-Manufacturing PMI
Jun 5 (Thu): U.S. Weekly Initial Jobless Claims
Jun 6 (Fri): U.S. May Nonfarm Payrolls; Unemployment Rate

Key focus: U.S.-Iran geopolitics and oil price fluctuations; impact of U.S. employment and service data on Fed policy expectations; volatility of U.S. dollar and Treasury yields; global tariff policy changes and related market moves.

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