Future Gold Labs

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

TG: https://t.me/futuregoldlabs

Author： Koi

Reviewer： Jake Liu

Weekly Gold Wrap

2026/08/30

I. Gold Price Recap

At the New York close on August 28, COMEX gold futures tumbled 3.43% to $4,504.10/oz, posting a weekly loss of 3.77%. COMEX silver futures dropped 4.48% to $67.09/oz, with a weekly decline of 3.51%. Precious metals suffered sharp macro-driven shocks at elevated levels. Gold rallied early in the week toward a near-term high close to $4,700/oz, before steep Friday sell-offs resulted in a sharp pullback for the full week.

Gold rallied on moderating US-Iran sanctions early on, yet sticky PCE inflation, unified hawkish Fed rhetoric and hawkish Jackson-Hole remarks propelled the US Dollar and Treasury yields higher. Gold ended its three-week winning streak and retreated toward $4,550/oz.

-Monday: Fresh US sanctions on Iran fell short of market hawkish expectations. Geopolitical risks eased marginally and gold gained roughly 1%, kicking off the week on a strong footing.

-Tuesday: Gold advanced toward the $4,700 high but bullish momentum faded. Markets priced upcoming data and Fed speeches; the US Dollar stabilized and capped further gold upside.

-Wednesday: July core PCE remained unchanged alongside solid durable-goods and personal-income data. Strong prints lifted the Dollar and Treasury yields, gold fell over 1% in one session as market odds for future rate hikes rose.

-Thursday: Cleveland Fed's Hammack delivered hawkish remarks favouring further policy tightening. Gold traded in a narrow range above $4,600 as markets awaited Jackson Hole keynote addresses.

-Friday: At Jackson Hole, Fed Chair Walsh struck a hawkish tone, stressing inflation remains unsatisfactory and pushing back against rapid rate cuts. The Dollar and yields jumped simultaneously, and gold slid to the weekly low near $4,550/oz.

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

- **July PCE Price Index**

Headline PCE rose 3.7% YoY and 0.2% MoM; core PCE printed 3.3% YoY and 0.2% MoM, unchanged from prior readings. Inflation showed no improvement, underscoring persistent stickiness and a substantial gap versus the Fed's 2% target.

- **July Durable-Goods Orders & Personal Income**

Durable-goods orders increased 1.1% MoM, beating consensus of 0.7%. Personal income climbed 0.4% MoM. Both releases reflected solid underlying US economic resilience.

- **Q2 GDP Final Estimate**

US annualized Q2 GDP stood at 1.5%, unrevised. Upward revisions to consumption offset softer business investment. The economy showed no material signs of deceleration, diminishing expectations for near-term Fed rate cuts.

(2) Impact on Gold:

Sticky July PCE inflation, together with resilient durable-goods, personal-income and GDP prints, dampened rate-cut expectations and boosted the US Dollar and Treasury yields, weighing materially on gold. Gold dropped more than 1% following the PCE release.

2) Monetary Policy & Gold Market Impact

(1) Fed Developments & Official Views

➢ **Fed updates and Jackson Hole Symposium**

-Jackson Hole Symposium: Fed Chair Walsh delivered a distinctly hawkish keynote. He reaffirmed unwavering commitment to the 2% inflation target, arguing evidence of sustained disinflation is insufficient and the inflation fight is unfinished. He noted current financial conditions are far from restrictive amid robust consumption activity and warned against premature rapid rate cuts. While no explicit September policy path was signalled, further rate hikes remained on the table, cooling market optimism for early-cycle easing.

-Regional Fed speakers: Cleveland Fed's Hammack issued hawkish public comments. Though recent inflation met forecasts, inflation stickiness persists and existing policy provides limited economic restraint; neutral rates may be higher than widely perceived. She argued additional tightening should be considered without conclusive evidence of sustained inflation cooling, leaving a September hike on the table. She also warned Middle-East conflict-driven oil prices risk renewed inflation rebounds.

(2) Market Watch Data

➢ **Prime Market Terminal Data**：

Per CME FedWatch Tool: Sticky PCE and Hammack's hawkish comments lifted hike odds, followed by further repricing after Walsh's Jackson-Hole speech. As of Friday's close, steady rates in September remained the base-case market expectation, while the probability of a 25bp September rate hike rose to 36.5%. Markets rotated between sticky-inflation, economic-resilience, Jackson-Hole policy signals and Middle-East risks. Sharp swings in real Treasury yields amplified precious-metal volatility.

(3) Impact on Gold Prices

Hammack's hawkish remarks capped gold upside. Walsh's hawkish Jackson-Hole speech represented the week's major policy shock, driving Dollar and yield rallies that pressured gold. Fading bullish momentum, compounded by sticky inflation and hawkish policy signals, triggered profit-taking, resulting in gold's pullback from weekly highs. Middle-East geopolitics added intermittent market noise.

3) Yields, USD & Gold Dynamics

(1) Dollar Index Behavior

DXY closed at 99.66 on the New York close August 28. The Dollar traded steady early-week, oscillated mid-week and staged a strong rally on Friday, reversing prior softness. Early-week sentiment stayed cautious; milder-than-expected Iran sanctions eased geopolitical safe-haven demand and DXY consolidated in a tight band. Mid-week, sticky PCE inflation and resilient economic data cooled rate-cut expectations and underpinned the Dollar.

The major inflection arrived at Friday's Jackson-Hole gathering. Chair Walsh's hawkish rhetoric triggered heavy Dollar buying, delivering one of its largest single-session gains recently. The weekly Dollar move was driven by inflation persistence and hawkish Fed repricing. Ebbing geopolitical safe-haven flows, solid economic data and marginally higher hike expectations jointly fuelled the Dollar rebound and constrained gold upside.

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

The 10-year Treasury yield settled at 4.67% on August 28. Long-dated rates dipped mid-week before surging higher over the weekend, forming an upward-biased volatile profile and serving as the core driver behind gold's pullback. Early-week concerns over heavy long-dated Treasury supply kept yields elevated. Mid-week, unchanged PCE inflation and solid activity data anchored yields. Hammack' shawkish speech reinforced "higher-for-longer" pricing and yields grinded higher.

Walsh's Jackson-Hole remarks acted as the key catalyst. Markets priced in reluctance to cut rates and retained hike risk. Nominal and real yields rose sharply. Higher opportunity costs weighed on non-yield-bearing gold.

(3) Impact on Gold

Rebounding US Dollar and real yields created dual headwinds for gold. Mid-week data and inflation prints exerted initial pressure. Hawkish Jackson-Hole commentary triggered synchronized rallies in the Dollar and yields and erased earlier bullish tailwinds. While Middle-East risks offered intermittent safe-haven support, macro-policy repricing dominated, producing a pattern of early-week highs followed by late-week profit-taking.

4) Geopolitical Tensions & Safe-Haven Demand

(1) Geopolitical Tensions

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

- Oman-brokered talks explored a temporary commercial shipping corridor through the Strait of Hormuz, mediated by Qatar and Pakistan. Iran conditioned full strait reopening on US lifting of maritime blockades and fulfilment of prior memoranda. No firm timeline for reopening was set; tanker traffic remained depressed, and direct US-Iran negotiations stayed deadlocked. Markets priced partial geopolitical de-escalation, reducing oil risk premiums.
- Local skirmishes in the Gulf and Red Sea persisted. Military posturing remained intact. Should negotiations collapse, oil prices could spike and re-ignite inflation-driven tightening risks, capping gold upside.

2) Progress of the Russia-Ukraine Conflict

.Fighting remained positional with reciprocal drone and missile strikes targeting logistics and infrastructure. No decisive battlefield shifts occurred. Market safe-haven sensitivity toward Ukraine-related events stayed low; only large-scale air attacks generated brief asset-price pulses with limited lasting impact on gold.

3) US-Canada Diplomatic Friction

On August 27 the US issued an executive order unilaterally renaming shared Lake Ontario as "America's Lake". Canada publicly rejected the renaming, escalating diplomatic tensions.

(2) Impact on Gold

Prospects of strait mediation reduced immediate safe-haven buying for gold, yet de-escalation remains far from complete and geopolitics underpins downside support. Geopolitics generated short-term intraday swings; gold's primary pricing drivers remained US inflation, Jackson-Hole policy signals and real yields.

5) Tariff Turmoil Drives Gold Swings

① **Tariff & Trade Policy Developments**

- **US-China tariffs**

No new developments. Section 301 duties remain in force, trade talks stay stalled with no fresh policy catalysts.

- **Global WTO trade disputes**

No newly implemented broad-based US tariffs; markets absorbed existing trade-barrier effects.

- **US-Canada trade friction**

Following US 50% tariffs on CAD$200bn Canadian goods, Canada unveiled reciprocal counter-tariffs covering over 700 product categories, scheduled to take effect September 8. North-American trade tensions intensified and raised risks of supply-chain disruption and import-cost inflation.

② **Impact on Gold Prices**

.US-Canada friction represented the sole meaningful trade-related news. Escalating trade fragmentation offers long-term safe-haven support for gold, yet counter-tariffs are not yet active and the lake-renaming move remains largely symbolic, producing limited near-term price impact. Trade factors remain secondary; gold is mainly driven by US inflation, Fed communications and Treasury yields.

6) Gold Market Observation

1. Q1-26 Gold-Mine Cost & Profit Report - WGC

(1) Report Background

2026 opened with record gold prices and robust miner cash flows alongside Iran-conflict-driven Middle-East supply-chain disruptions. The report analyses Q1 mining-sector costs, profitability and outlook.

(2) Mine-cost dynamics: rising AISC (All-In Sustaining Cost), with royalties as the main driver

Global Q1-26 mine AISC rose 5% QoQ and 16% YoY to $1,785/oz, marking the 28th consecutive YoY AISC increase.

- **Soaring royalty payments:** Spot gold hit $5,595/oz in January; Q1 registered record quarterly average gold prices. Higher revenues lifted royalties by 24% QoQ and 85% YoY. Royalties doubled as a share of AISC, rising from 6% in Q1-21 to 12% in Q1-26.
- **Fiscal divergence and resource nationalism:** Ghana, Burkina Faso and Mali introduced price-linked sliding-scale royalty regimes. At certain operations royalties surged 220% YoY and represented 35% of cash costs, emerging as a key source of cost overruns.

(3) Supply-chain cost shocks from Middle-East conflict

Strait-of-Hormuz closures and infrastructure damage lifted fuel, power, freight and consumable costs. Impacts varied sharply by mine size.

- **Energy-price divergence across operators:** US diesel prices rose 54% QoQ; Perth wholesale diesel jumped 96% QoQ. Some small Western-Australian mines halted operations amid fuel shortages. Large miners mitigated pressure via inventories, hedging and long-term procurement contracts, while smaller operators bore heavier strain. Major miners warned protracted high fuel prices would inflate future-quarter costs.
- **Broader supply-chain pass-through:** Higher bunker-fuel and war-risk insurance costs raised import expenses for mine consumables and spare parts. Disrupted gas-and-ammonia markets lifted explosives and cyanide costs; higher aluminium prices increased maintenance-component expenses, fuelling industry-wide mining inflation.

(4) Sector profitability: gold price outpaces cost growth, record profits and cash flow

Despite cost inflation, miners delivered exceptional Q1 earnings.

- **-Margin expansion:** Gold prices climbed 17% QoQ and 70% YoY, comfortably outpacing cost increases. Average AISC margin surged 25% QoQ and 134% YoY to an all-time high of $3,076/oz.
- **-Robust cash flow and shareholder returns:** Disciplined capital expenditure left many miners in net-cash positions. Capital returned via dividends and buy-backs:
- **-Newmont:** Q1 free cash flow $3.1bn; $2.7bn returned to shareholders plus an additional $6.0bn buy-back authorization.
- **-AngloGold Ashanti:** Record $1.2bn free cash flow, shifting from net-debt to net-cash status with sharply higher interim dividends.

(5) Sector outlook

Gold prices retreated from January peaks, though Q2 average prices stayed above $4,000/oz despite a 7.2% QoQ pullback. Persistent Middle-East conflict will keep supply-chain pressures elevated. Most conflict-related cost impacts materialized late in Q1-26 and will be fully felt in Q2-26, squeezing mining margins.

III. Outlook & Key Catalysts

- **Next Week's Focus:**

Mon Aug 25: Dallas Fed Manufacturing Index
Tue Aug 26: U.S. July Durable Goods Orders (flash), Conference Board Consumer Confidence Index
Wed Aug 27: U.S. July PCE Price Index, Personal Income & Spending
Thu Aug 28: Initial Jobless Claims, University of Michigan Consumer Sentiment (final)
Fri Aug 29: Jackson Hole Economic Symposium kicks off with multiple Fed officials delivering speeches
Market Focus: July PCE inflation and Jackson Hole are key catalysts. The Fed- favoured PCE will reset September- hike odds, while Jackson- Hole remarks will trigger USD- yield volatility. Economic data will gauge US momentum. US- Iran frictions and trade fragmentation remain tail risks; Hormuz- related moves may swing oil- inflation- rate expectations, elevating near- term gold volatility.

Reference:

1. Title: Gold price forecast: Gold spot/US Dollar faces rejection at 1 (100%) arc Author :Mohamad Gharib
2. Title:Gold Price Forecast: XAU/USD resumes profit-taking pullback before Warsh’s Jackson Hole speech Author:Dhwani Mehta
3. Title: COMEX Gold Futures (GC00Y) Quote Author: CME/East Wealth/Wind
4. Title: US Dollar Index Futures Quote Author: Wind
5. Title: Trader XAUUSD-Trade-ideas Author: TradingViews
6. Title: Weekly economic and financial commentary Author:Wells Fargo Research Team
7. Title:Record gold prices outpace rising mining costs in Q1’26 Author: World Gold Council
8. Title:Gold Weekly Forecast: Author:Eren Sengezer

Disclaimer

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.