



CIO maintains its September 2025 target at USD 2,900/oz, and suggest investors look to buy gold on any dips toward USD 2,600/oz. (UBS)

# Gold comes under pressure

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**Spot gold prices fell more than 2% on Monday, weighed down by renewed US dollar strength and less market certainty over the Fed rate outlook.**

Following President-elect Trump's victory, the DXY dollar index has climbed to 105.8—its highest level since early July. The CME Fedwatch tool shows implied pricing for a 25bp December rate cut has fallen to 68.5%, down from 79.6% on the eve of the US election. The pressure on gold comes ahead of a heavy week for US data, with CPI, PPI, weekly jobless claims, retail sales, and industrial production figures all due.

*Our view:* Much is still unknown about President-elect Trump's policy agenda at this stage, in our view, and the sell-off in gold looks excessive to us. Despite renewed dollar strength, we believe fundamentals remain supportive for gold, with continued US rate cuts set to draw in more exchange-traded fund buying, tariffs and other risks reinforcing hedging needs, and the prospect of a more combative US administration policy on trade potentially to support central bank dollar diversification. We maintain our September 2025 target at USD 2,900/oz, and suggest investors look to buy gold on any dips toward USD 2,600/oz.

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