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Weekly Gold Wrap

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I. Gold Price Recap

On Friday this week (New York time, Jan 23; Beijing time, early morning of Jan 24), COMEX Gold Futures rose 1.42% to close at $4,983.00/oz, hitting a new all-time high of $4,991.40/oz, with a weekly gain of 8.46%. COMEX Silver Futures surged 7.15% to $103.26/oz, posting a cumulative weekly increase of 16.63%.

Supported by strong safe-haven demand, gold extended its upward trend with a weekly gain exceeding 8%. Mixed US economic data failed to offer meaningful support to the US Dollar. Coupled with a 1.9% plummet in the US Dollar Index – its largest weekly drop since June – gold, denominated in US Dollars, was significantly boosted, becoming a direct driver of its rally.

Earlier, US President Donald Trump's new trade remarks on the Greenland dispute roiled global markets, reigniting "sell US assets" sentiment. Meanwhile, his administration's disruptive trade agenda and frequent use of tariffs as a policy tool have continuously eroded investor confidence in US assets, heightened concerns over US Dollar depreciation, and further fueled capital inflows into traditional safe-haven assets such as gold. Additionally, Trump stated on Thursday that he has completed interviews for the next Federal Reserve (Fed) Chair and confirmed his selection, with a formal announcement expected before the end of January. Media reports indicate the shortlist includes Kevin Hassett and others. Markets worry the new Chair may push the Fed toward a more dovish policy path, providing potential support for gold prices.

II. Key Drivers Behind Gold's Volatility

1) Mixed U.S. Economic Indicators Trigger Gold Volatility

(1) Major U.S. economic indicators released this week and their impact on gold prices

➢ **US Consumer Inflation Expectations**

The one-year US consumer inflation expectation eased from 4.2% to 4.0%, while the five-year expectation dropped from 3.4% to 3.3%.

➢ **University of Michigan Consumer Sentiment Index (January)**

The index climbed to 56.4 in January, a five-month high, surpassing both the preliminary reading of 54 and market expectations of 54. Despite the rebound, Joanne Hsu, Director of the Survey, noted that high prices and concerns over a weakening labor market still weigh on consumers' purchasing power.

- **US Gross Domestic Product (Q3 2025)**

US GDP data for Q3 2025 was significantly revised upward and exceeded market expectations, growing 4.4% quarter-on-quarter.

- **S&P Global Composite Purchasing Managers' Index (PMI)**

S&P Global data showed US business activity improved slightly in January, with the Composite PMI edging up from 52.7 to 52.8. However, Chris Williamson, Chief Business Economist at S&P Global Market Intelligence, warned that sluggish growth in new orders for both manufacturing and services raise

(2) Impact on Gold:

.Overall, US economic data exerted a neutral-to-bullish impact on gold. Although indicators improved marginally, potential risks persisted. The pullback in inflation expectations did not weaken Fed rate cut expectations, nor did it curb gold's upward trend, serving as one of the drivers for its rally.

2) Monetary Policy & Gold Market Impact

(1) Fed Leadership Changes & Divided Views on 2026 Rate Cuts

① **Fed Leadership Developments**

- US President Donald Trump stated on Thursday that he has completed interviews for the next Fed Chair and confirmed his selection, with a formal announcement expected before the end of January. Media reports suggest the shortlist includes Kevin Hassett, Rick Rieder, Christopher Waller, and Kevin Warsh. Markets are closely monitoring the appointment, with lingering concerns over the Fed's independence. Trump has repeatedly criticized current Fed Chair Jerome Powell for not cutting interest rates more aggressively, and markets fear his chosen successor may steer the central bank toward a more dovish policy path.

② **Fed Officials' Views:**

- The Fed is in a blackout period ahead of the Jan 27-28 FOMC meeting, which runs until after the meeting. No Fed officials have released new views this week (Jan19-25).
- Previously, Fed officials generally concurred that the central bank will "stand pat" at the Jan meeting, with combating inflation remaining the top priority and rate cuts contingent on confirmed sustained inflation declines. However, divergent views persist regarding the timing and pace of rate cuts: doves (such as Bowman) focus on employment risks and advocate flexible responses, while hawks emphasize stubborn inflation and tend to delay cuts. Market expectations for a Q1 rate cut have dropped sharply, with a potential delay until after Powell's term ends in May.

(2) Market Watch Data

- **Prime Market Terminal Data:**

Data from Prime Market Terminal shows market expectations for 2026 Fed rate cuts remain unchanged, with traders pricing in a total of 42.5 basis points of cuts for the year.

(3) Impact on Gold Prices

Policy uncertainty and concerns over independence stemming from Fed leadership changes, combined with stable market expectations for 42.5 basis points of cuts in 2026 and only divergent views on the pace of cuts, have significantly boosted gold's safe-haven demand. Coupled with downward pressure on the US Dollar, this has continuously supported gold's upward trend, while the consensus to stand pat at the Jan meeting has not disrupted this pattern.

3) Yields, USD & Gold Dynamics

(1) Dollar Index Behavior

.On Friday (Jan 23) New York late session, the US Dollar Index (DXY) – which tracks the greenback against a basket of six major currencies – fell 0.89% to close at 97.50. It posted a cumulative weekly decline of approximately 1.9%, its largest drop since June. US President Donald Trump stated that the US has obtained the right to use Greenland under an agreement with NATO, while withdrawing the threat of imposing tariffs on Europe and ruling out the possibility of seizing this Danish autonomous territory by force. Earlier this week, US assets were sold off amid rising geopolitical tensions.

(2) US Treasury Yields & Gold Dynamics

On Friday (Jan 23) New York late session, the US 10-year benchmark Treasury yield fell 1.97 basis points to 4.2252%, with a cumulative weekly gain of 0.23 basis points. Geopolitical safe-haven demand from the US and Israel withdrawing from international organizations supported Treasury purchases; meanwhile, mild inflation expectations and expectations of the Fed pausing rate cuts provided slight support for yields. Long and short factors offset each other, resulting in a slightly higher oscillating pattern.

(3) Impact on Gold

The US Dollar Index plummeted 1.9% this week, its biggest drop since June, significantly boosting US Dollar-denominated gold prices. The opportunity cost pressure on gold from the slightly higher oscillating US Treasury yields was basically negligible, jointly fueling gold's strong upward momentum.

4) Geopolitical Tensions & Safe-Haven Demand

(1) Russia-Ukraine Conflict

The closed-door talks between Russia, the US and Ukraine in Abu Dhabi ended without tangible results. Held on Jan 23-24 in Abu Dhabi, UAE, the talks saw direct interaction between Russian and Ukrainian officials, focusing on the "peace framework" proposed by the US. No substantive agreements were reached, but both sides stated their willingness to continue dialogue. Notably, Ukrainian President Volodymyr Zelensky accused Russia of launching large-scale air strikes during the talks, highlighting the sharpness of contradictions and the difficulty of peace negotiations.

(2) US-Israel Withdrawal from Organizations Escalates Middle East Turmoil

The spillover effects of the US and Israel withdrawing from international organizations continued to unfold this week, further eroding regional multilateral mediation mechanisms. The US has previously withdrawn from 66 international organizations (including 31 UN entities), and Israel subsequently cut ties with 7 UN agencies, aiming to evade international oversight of Israel's military operations in Gaza. This move left the WHO with a budget gap of 560-650 million US dollars, reduced international attention to the Gaza humanitarian crisis, and prompted regional organizations such as the Gulf Cooperation Council to strengthen collective defense, intensifying camp confrontations.

(3) US-Venezuela Conflict Persists

The US-Venezuela standoff continues. The US judicial prosecution process against Maduro after his arrest is ongoing; Venezuela is governed by the acting president who maintains full combat readiness. Additionally, the insider in the presidential palace who assisted the US, exposed earlier, has been arrested. The US unilateral acts remain widely condemned by the international community.

(4) US-EU Game Over Greenland Temporarily Eases

Trump previously threatened to impose tariffs on eight European countries to pressure them over the Greenland acquisition, but announced on Jan 21 the cancellation of tariff threats and the reaching of an Arctic security framework agreement with NATO. However, Denmark insists on Greenland's sovereignty, with strong opposition from local residents, severely damaging US-EU transatlantic trust. The EU is formulating various response plans.

(5) Impact on Gold

Multiple regional geopolitical conflicts, including Russia-Ukraine, US-Israel, and US-Venezuela, continued to fester this week with core differences unresolved, significantly boosting global safe-haven sentiment. Coupled with the impact on the US Dollar credit system, this sustainedly lifted gold's safe-haven demand.

5) Tariff Turmoil Drives Gold Swings

(1) Tariff & Trade Policy Developments

➢ **US-EU Tariff Game Triggered by Greenland Dispute**

The US-EU game over the Greenland dispute saw the US attempting to use tariffs as leverage to gain access to this Arctic strategic outpost, met with firm countermeasures from the EU. The conflict was temporarily eased by a framework agreement, but fundamental differences remain unresolved, leaving geopolitical risks lingering.

Date	Event	Key Details
Jan 17	Trump Announces Tariff Threats	Plans to impose 10% tariffs on goods imported from eight European countries (Denmark, Norway, Sweden, France, Germany, the UK, the Netherlands, Finland) starting February 1, to be raised to 25% on June 1, until an agreement on the US "full acquisition of Greenland" is reached.
Jan19-20	Europe's Strong Response	The EU called the threat "unacceptable and coercive" and formulated a countermeasure list of approximately 93 billion euros; multiple countries condemned it as "blackmail," and Denmark explicitly stated that Greenland is "not for sale or trade."
Jan 21	Trump's Sudden U-Turn	Announced the cancellation of tariff threats at the Davos Forum, stating that a framework agreement on Arctic security with NATO has been reached; emphasized no intention to seize Greenland by force, instead seeking "full access rights."
Jan 22	Follow-up Statements	Trump reiterated that the US will not pay for Greenland; the Danish Prime Minister stated that negotiations on political, security and other issues are feasible, but sovereignty is non-negotiable.

➢ **US-Canada Trade Friction Escalates (Jan 24)**

Trump threatened to impose 100% tariffs on all Canadian goods imported into the US if Canada reaches a trade agreement with China, claiming the move is to prevent China from using Canada to bypass US tariff barriers.

(2) Impact on Gold:

Unresolved geopolitical risks from the US-EU tariff game over Greenland and escalating US-Canada trade friction have boosted global safe-haven sentiment, while undermining the credit of US Dollar assets.

This sustainedly lifts gold's safe-haven demand, providing strong upward support for gold prices.

6) Gold Market Observation

（1）Review of Epic Gold Price Trends During the 14th Five-Year Plan Period & 2026 Outlook + Recent Geopolitical Impact on Gold Prices － China Gold Network

① Core Review of International Gold Prices During the 14th Five-Year Plan Period: Over $2,600 Gain in 5 Years, Epic Trends Outlined by Annual Keywords

During the 14th Five-Year Plan Period, international gold prices continuously set new records, staging an explosive epic rally, and driving the concurrent upward movement of silver, platinum, palladium and other precious metals. The core drivers include global risks brought by US hegemony, weakened US Dollar credit, geopolitical conflicts, and shifts in Fed monetary policy. Annual trends are characterized by distinct keywords reflecting phased features:

- **2021 - Consolidation:** After Biden's election victory, he joined hands with Yellen to boost the US Dollar. Gold prices remained weak and corrected throughout the year, failing to break above $2,000 per ounce. However, structural US economic issues remained unresolved, and the long-term supportive logic of gold's safe-haven and monetary attributes remained intact.
- **2022 - Accumulation:** The outbreak of the Russia-Ukraine conflict boosted safe-haven buying. The US weaponization of the US Dollar triggered global de-dollarization, prompting central banks to launch a gold-buying spree (399 tons purchased in Q3, the fastest pace in 55 years; annual purchases hit a new high since 1967). However, the Fed's aggressive rate hike cycle suppressed gold prices, which formed a solid bottom around $1,600 per ounce with a significantly higher center of gravity. Geopolitical conflicts and central bank purchases became long-term bullish drivers.
- **2023 - Take-off:** The US debt ceiling crisis and the European and American banking crisis triggered by the Silicon Valley Bank collapse raised concerns over global financial systemic risks, surging safe-haven sentiment. Weakened US Dollar, speculative capital inflows, and sustained central bank gold purchases drove gold to break historical highs twice in a year. The aggressive rate hike cycle could no longer overshadow gold's value, marking the official acceleration stage of gold prices.
- **2024 - Front-running:** The downgrade of US government credit and the Fed's shift from a rate hike to a rate cut cycle pushed market rate cut expectations far beyond the dot plot. Gold set new historical records 7 times throughout the year. Trump's return to the election campaign with a low-interest-rate and low-tax policy further fueled rate cut expectations. Despite a short-term pullback after his election victory, gold still surged nearly $600 per ounce for the year, staging a "triple jump" rally.
- **2025 - Outbreak:** Gold set new historical records dozens of times in the year. In H1, it was driven by global panic from Trump's tariff policies and escalating great-power games. In H2, it was strongly boosted by rising Fed rate cut expectations and concerns over the Fed's independence due to Trump's intervention in its personnel arrangements. As of December 26, 2025, gold prices rose from an opening of $1,904.04 per ounce at the start of 2021 to a new high of $4,549.69 per ounce, a gain of over $2,600 in 5 years. Gold became the core safe-haven and value-preserving choice for global central banks and investors.
- **Core Underlying Logic :**The weaponization of the US Dollar under US hegemony, indiscriminate tariff frictions, unchecked government debt, and global uncertainties dominated by geopolitical

games are the core drivers of the epic gold price rally during the 14th Five-Year Plan Period, fully activating gold's "risk-pricing" attribute.

② 2026 International Gold Price Outlook: Bullish Dominance, Upside Potential Amid Intertwined Factors

Global demand for gold as a safe-haven and value-preserving asset will persist in 2026. Although gold prices may face slight short-term pressure from the phased easing of great-power games, core bullish factors will dominate, with a clear upward trend:

- **Core Bullish Factors:** The new Fed Chair nominated by the Trump administration will be a firm executor of aggressive rate cuts, and the rate cut cycle itself will directly benefit gold prices. The White House's intervention in Fed decisions may further undermine the central bank's independence; coupled with intensified internal US political struggles, the bullish effect will surpass that of a conventional rate cut cycle. Long-term logics such as global uncertainties from US hegemony and weakened US Dollar credit remain intact, and the trend of central banks increasing gold holdings will continue.
- **Potential Bearish Factors:** Policy adjustments by the Trump administration may ease great-power games to a certain extent in the short term, exerting slight pressure on gold prices.
- **Long-term Value:** Hidden risks of global geopolitical conflicts brought by US military superiority persist in the long run. Financial security has become a core demand of all countries. Adjusting foreign exchange reserve structures and increasing gold holdings serve as an important guarantee for great-power financial security, highlighting gold's enduring long-term allocation value.

III. Outlook & Key Catalysts

- **Next Week's Focus:**

- Jan 27 (Mon): US December Durable Goods Orders MoM
- Jan 29 (Wed): US December Core PCE Price Index, Personal Spending MoM
- Jan 30 (Thur): US Initial Jobless Claims (Previous Week), Q4 GDP Initial Estimate
- Feb1 (Sat): US Jan ISM Manufacturing PMI, December Pending Home Sales Index
- Key Event (Jan 27-28): Fed FOMC Meeting (Rate Decision, Powell's Press Conference)

Track the implementation of US-EU tariff cancellation, US statements on US-Canada trade friction and tariff ruling results; monitor geopolitics, tariff policies and other related developments.

IV. Quantitative Strategy Review

DeCTP-12 Strategy Quarterly Brief

- **Core Performance:**

Quarterly Performance:

-Win Rate: 46.5%

-Profit-to-Loss Ratio: 3:1

-Number of Trades: 20

-Annualized Return: 26%

-Maximum Drawdown: 8.9%

- **Weekly Performance Metrics:**

-Weekly Win Rate: 50%

-Equity Change: -2.7%

-Trading Frequency: 8 trades

*Notes:

-Win rate is the number of wins divided by the total number of participations, calculated as (number of wins / total participations) × 100%. Excluding draws, it is (number of wins / (wins + losses)) × 100%. In statistics, a trade is considered a win if profit > 0.

-Profit-loss ratio has two calculation methods: total profit divided by total loss, or average profit per trade divided by average loss per trade. The latter is adopted here.

-Maximum drawdown is the largest decline from a peak to a trough. It is calculated by identifying the historical peak net value and subsequent trough net value, using the formula: (peak net value - trough net value) / peak net value.

-Equity changes refer to fluctuations in account funds, which occur after each position closing. In live trading, there are daily static equity changes and dynamic changes (fluctuating every second with position P&L).

Reference:

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