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INDIA BULLION MARKET REPORT | MAY 2026

Gold & Silver
Market Update

US-Iran Conflict | Fed on Hold | Rupee at Record low

GOLD 999	SILVER 999	COMEX GOLD
₹1,58,210	**₹2,68,500**	**$4,558**
per 10 gm	per kg	per oz • Jun 26 Futures

Price Snapshot - May 19, 2026

Domestic Prices (May 18)

GOLD 999	SILVER 999	GOLD 916 (22K)
₹1,58,210	₹2,68,500	₹1,44,920
per 10 gm	per kg	per 10 gm

International Prices (May 19)

COMEX GOLD JUN 26	COMEX SILVER JUL 26	LONDON PM FIX GOLD	LONDON FIX SILVER
$4,558	$77.44	$4,565	$75.73
per oz	per oz	per oz	per oz

Key Ratios

GOLD-SILVER RATIO	GOLD-CRUDE RATIO
58.86	41.95
Low relative to historical	

Context: Gold is down 13%+ from its January all-time high of $5,415/oz. The correction is not demand-driven - it reflects rate and dollar pressure discussed ahead.

Primary Driver: The US-Iran Conflict

Week 9 of conflict. Strait of Hormuz effectively closed - ~20% of global oil supply disrupted.
Multiple peace talks collapsed. Neither side moving.

BRENT CRUDE
$106
per bbl

WTI CRUDE
$95+
per bbl

Negotiating Deadlock

- Iran: Full lifting of US blockade
- Washington: Nuclear program on the table - non-negotiable

Neither side is moving.

What This Means for Gold

- Unlike typical crises - simultaneously drives oil inflation → tight central banks → stronger dollar → higher opportunity cost for gold
- Safe-haven demand and rate pressure pulling in opposite directions - gold range-bound
- Ceasefire unwinds safe-haven premium; escalation sustains rate pressure - gold caught either way near term
- **Key watch:** if conflict damages global growth, easing returns - that might trigger a genuine bullish catalyst

Macro: Federal Reserve, Rupee & India Impact

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Federal Reserve

US 10-YR YIELD
4.59%

RATE DECISION
On Hold

- Market abandoned expectations of two 2026 cuts - rates on hold through year-end; hike a live risk
- Kevin Warsh sworn in May 16 (confirmed 54-45, slimmest margin in history) - seen as hawkish
- Trump expects near-term cuts - political-monetary tension adds policy uncertainty

Rupee & India

USD/INR (MAY 19)
96.39

IND 10-YR YIELD
7.13%

- Rupee down 6.7% YTD - worst-performing Asian currency in 2026
- RBI intervened at 96.34 but oil import demand overwhelms support
- India tightened silver import rules; import duties on gold and silver to 15% from 6% & placed in restricted category.

Critical for Indian investors: Rupee depreciation amplifies MCX gold prices independent of international price direction - a structural tailwind unique to domestic investors that will persist as long as oil stays elevated.

Outlook, Risk Matrix & Key Triggers

Directional View

Near-term
Range-bound - driven by ceasefire headlines and Fed signals

Medium-term (H2 FY2027)
Cautiously bullish - CB buying, rupee weakness, US fiscal concerns provide a floor

Upside: Conflict damages growth → Fed eases → dollar weakens → gold re-rates toward $5,000

Downside: Ceasefire → oil falls → inflation cools → gold loses safe-haven premium; net effect uncertain

Upcoming Triggers

- US-Iran diplomacy
- Warsh first Fed signals
- India fuel sourcing decisions

Risk Matrix

Factor	Direction
Oil sustained $95–$110	Bearish
Rupee at 96+	Bullish
Fed on hold / Warsh hawkish	Bearish
CB buying 60t/mo (Goldman)	Bullish
US fiscal concerns (Fitch)	Bullish
Iran ceasefire breakthrough	Bearish

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