GOLD AND THE FED

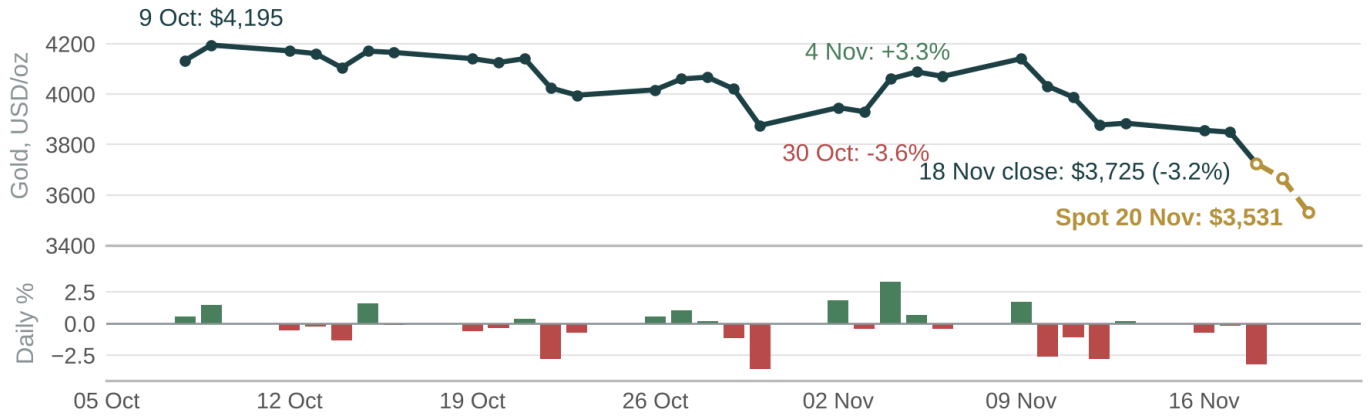
Gold's reset: the rate cycle takes back a third

Gold has fallen more than a third from its January 2026 record as the Fed moves from cutting to raising rates. Central banks are still buying; retail and Indian demand are not.

-36.8%	**>90%**	**321t**	**-29%**
Spot gold: 28 Jan 2026 record ($5,589) to 20 Nov ($3,531)	Market-implied odds of a 25 bp Fed hike on 9 Dec (as of 20 Nov)	Central bank gold buying in Q3, up 42% y/y (only 120t reported)	India's Q3 gold demand y/y, to 162t (value up 3%)

Exhibit 1: Gold has lost about 16% in six weeks

Top: gold daily close, USD per ounce (solid); spot on 19-20 Nov (dashed, hollow). Bottom: daily % change in close.



Source: GoldPrice.com / LBMA (daily closes to 18 Nov 2026); Journal Arta, Kitco (spot, 19-20 Nov 2026); Ananta analysis.

The year so far

Gold began 2026 near $4,313 an ounce and set a record of **$5,589 on 28 January 2026**. It did not hold: within days the naming of Kevin Warsh as the next Fed chair, read as hawkish, had pushed gold more than 10% below the high. A second peak near $5,263 followed in February 2026 after the US-Israeli war with Iran began. Then energy-led inflation rose above 4%, rate-cut hopes faded and by June gold was **more than 20% off its high**. The Fed raised rates on 16 September 2026, its first hike since 2023, to 3.75-4.00%. In the week to 20 November gold broke below $3,800 for the first time since September 2025 and on 20 November touched a **14-month low near $3,500**.

What changed

- **Rates, not fear, now set the price.** Oil-driven inflation turned the Fed from cuts to hikes. It held on 28 October with two members voting for another hike, and markets price better than 90% odds of a hike on 9 December. Treasury yields are higher and the dollar index hit a 19-month high in mid-November. Gold pays no yield, so each raises its holding cost.
- **Forced selling.** On 20 November, spot gold fell about 3.7% in Asian trading alongside a global tech and AI-stock selloff, as investors sold metals to cover losses elsewhere.
- **Official buyers are the floor.** Central banks bought 321t in Q3, and 675t in the first nine months of 2026. Gold ETF holdings reached a record 4,256t at end-September.

Who is not buying: India

Global Q3 demand was 1,369t, down 1%, with the weakest jewellery quarter since 2000. India fell harder: total demand dropped **29% to 162t** and bar and coin buying fell 40% to 55t, 60% of the global fall in that category. Part of this is timing: key festivals fall in Q4 this year, not Q3. In mid-October 2026 mutual funds also suspended fresh subscriptions into gold fund-of-funds, likely to curb imports. On 20 November (11:45 am IST), MCX December gold futures were near **INR 1.23 lakh per 10g**, down about 3.5% on the day.

Exhibit 2: Official money buys, India does not

Q3 gold demand, tonnes: grey is Q3 2025, colour is Q3 2026. Source: World Gold Council.

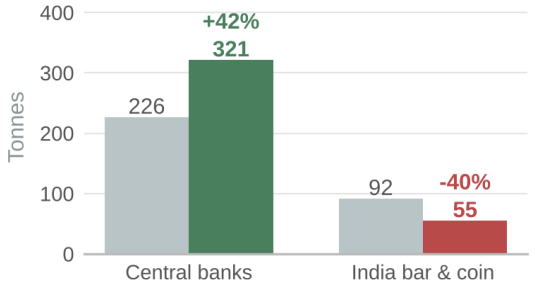


Exhibit 3: How far gold has fallen

Measured from	Level	Change
28 Jan 2026 record	$5,589	-36.8%
Start of 2026 (spot)	$4,313	-18.1%
9 Oct close	$4,195	-15.8%
4 Nov close	$4,060	-13.0%

Versus spot of $3,531 on 20 Nov 2026. Record is the spot high per Kitco (Reuters: $5,595); the LBMA PM-fix record is $5,405 (29 Jan 2026).

What to watch

- **Fed decision, 9 Dec 2026.** A hike is priced; guidance for 2027 matters more.
- **Official and ETF buying.** Whether it keeps pace as prices fall.
- **US yields, India policy.** Real yields; import curbs.

Sources: World Gold Council (Gold Demand Trends Q3 2026, India Focus); Kitco; goldprice.com; Investing.com; Discovery Alert; Journal Arta; BigGo Finance; IndMoney; Zee Business; Federal Reserve. Prices as of 20 Nov 2026 (Asian and early US trading) and move quickly. For information only; not investment advice.