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Gold Rises on Weaker Dollar as Traders Await U.S. Trade Decisions and Fed Meeting

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Gold prices edged higher to start the week, buoyed by a softened U.S. dollar (USD) and growing anticipation surrounding upcoming trade developments and monetary policy decisions. With tariff deadlines approaching and speculation around interest rates mounting, investors are increasingly turning to gold as a reliable safe-haven asset.

As of early Monday trading, spot gold climbed 0.6% to \$3,368.39 per ounce, while U.S. gold futures rose 0.5% to \$3,376. The U.S. Dollar Index fell 0.1%, making gold more appealing for holders of other currencies. Waterer, Chief Market Analyst at KCM Trade, said, “Dollar has made a subdued start to the week, which has left the door open for gold to post gains early doors with tariff deadlines looming large.”

Investor attention is sharply focused on U.S. trade policy, particularly President Donald Trump’s August 1 tariff deadline. U.S. Commerce Secretary Howard Lutnick expressed optimism about reaching a deal with the EU. Reports suggest President Trump may visit China or meet Xi Jinping on the sidelines of the APEC summit in late October.

In addition to trade developments, monetary policy remains a key driver of gold prices. Fed Governor Christopher Waller said last week that a rate cut is still possible at the upcoming meeting. In a low-interest-rate environment, gold typically becomes more attractive, as it provides a hedge against inflation and carries no yield cost.

The ECB is expected to keep its benchmark rate steady at 2.0% later this week. These global central bank decisions come at a time of heightened geopolitical and economic uncertainty, reinforcing gold’s status as a defensive asset.

In Japan, the ruling coalition lost control of the upper house in a weekend election, weakening Prime Minister Shigeru Ishiba’s influence ahead of the U.S. trade deadline.

Other precious metals saw modest gains: spot silver rose about 0.3% to \$38.28, platinum increased about 0.5% to \$1,429.08, and palladium climbed roughly 1.6% to \$1,259.93. These moves reflect broader investor caution and a shift toward hard assets in a climate of global uncertainty.

As the countdown to Trump’s trade deadline continues and major central banks prepare to set their policy course, gold remains firmly in focus, backed by its historical role as a hedge in times of economic and geopolitical volatility.