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Gold Slips From Five-Week Peak Amid Profit-Taking and Trade Tensions

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Gold prices dipped slightly on Tuesday, retreating from their highest level in five weeks as investors opted to take profits. Despite the pullback, the yellow metal remains well-supported amid ongoing uncertainty over U.S. trade policy and interest rate expectations.

Spot gold edged down by 0.3% to $3,385.20 per ounce as of 0932 GMT, following an earlier rally to its highest level since June 17. Similarly, U.S. gold futures slipped by 0.3% to

$3,396.10 per ounce. Analysts believe the retreat is largely technical, driven by short-term profit-taking rather than a shift in market sentiment. Jigar Trivedi, senior commodity analyst at Reliance Securities, noted, “Gold is likely to stay bullish. A strong resistance is seen near $3,420, while support remains around $3,350.”

A key influence on gold’s recent rally has been market anticipation surrounding the August 1 tariff deadline set by President Donald Trump. The administration has threatened to impose a 30% tariff on European imports should a trade agreement with the European Union fail to materialize. As talks stall, EU diplomats are reportedly considering broad countermeasures, which could further escalate tensions.

Meanwhile, the U.S. dollar, tracked by the Dollar Index (DXY), which measures the greenback against a basket of major currencies, held steady. Typically, a firmer dollar makes dollar-priced commodities like gold more expensive for holders of other currencies, putting downward pressure on gold prices.

Also in focus is the upcoming Federal Reserve policy meeting next week. The U.S. Federal Reserve (Fed) is expected to keep interest rates unchanged for now, with analysts projecting potential rate cuts beginning in October. Historically, gold benefits in low-interest-rate environments and during periods of geopolitical or economic stress, both of which currently weigh on market sentiment.

Other precious metals followed gold’s decline. Spot silver slipped 0.3% to $38.74 per ounce, platinum dropped 0.4% to $1,433.20, and palladium fell more sharply by 1.8% to $1,242.54. Russian miner Nornickel, the world’s top palladium producer, revised its 2025 output forecast lower, now projecting between 2.677 and 2.729 million ounces, down slightly from its earlier range.

In summary, while gold has temporarily pulled back, broader market dynamics ranging from trade policy uncertainty to expectations of looser U.S. monetary policy continue to underpin its appeal as a safe-haven asset. Investors appear poised to watch key developments closely in the lead-up to the August tariff decision and the Fed’s next move.