

Powell Speech Boosts Gold Prices on Rate Cut Hopes

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Washington, D.C., Gold prices rose Friday after Federal Reserve Chair Jerome Powell signaled that the central bank could consider lowering interest rates if U.S. labor market conditions weaken, reinforcing expectations of policy easing in the coming months.

Speaking at the Jackson Hole Economic Symposium in Wyoming, Powell emphasized that the Fed remains committed to a data-dependent approach but noted that policy adjustments may be warranted should economic conditions soften further. His comments contributed to a decline in the U.S. dollar index, which fell nearly 0.9 percent, making gold more attractive as an alternative asset.

On international markets, COMEX gold futures closed at \$3,418.50 per troy ounce, a gain of about 1.1 percent. Analysts said the move reflected investor positioning ahead of the Fed's September 2025 policy meeting, where markets now see an increased likelihood of a rate cut after nearly eight months of steady policy.

“Powell’s acknowledgment of potential rate flexibility raised confidence that the Fed could shift toward accommodation,” said Ross Maxwell, Global Strategy Lead at VT Markets. He added that expectations for a September rate cut have strengthened and that further easing later this year remains possible if inflation trends lower.

Financial strategists noted that President Donald Trump has continued pressing for looser monetary policy, but Powell reiterated that the central bank will act independently while monitoring economic data. Investors are now watching upcoming reports on inflation and employment for further signals of the Fed’s direction.

Gold’s rise also reflects broader concerns over global economic uncertainty. Market experts said the metal remains positioned as a hedge, especially in periods when the dollar weakens or when investors anticipate easier credit conditions. While the recent rally pushed prices above key resistance levels, analysts cautioned that continued gains will depend on confirmation from future economic indicators and Fed commentary.

The Jackson Hole gathering, which brings together global central bankers and policymakers, is closely watched each year for insight into U.S. monetary strategy. This year’s discussions underscored the delicate balance between sustaining economic growth and ensuring inflation remains under control.

For now, investors appear confident that Powell’s remarks point to a more accommodative path. Analysts advised close monitoring of U.S. data releases, as they are likely to determine whether Friday’s momentum in gold prices marks the start of a longer trend or a short-term adjustment.