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## Gold Prices Decline in Pakistan Amid Global Market Trends


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Gold prices in Pakistan fell by Rs100 per tola on Monday, settling at Rs356,300, mirroring a \$1 drop in international markets where gold traded at \$3,336 per ounce. The All Pakistan Sarafa Gems and Jewellers Association reported corresponding declines, with 10-gram gold prices decreasing by Rs85 to Rs305,470. Silver prices, however, remained

stable at Rs3,963 per tola, reflecting divergent trends in precious metals markets.

The downward movement in gold prices aligns with shifting investor sentiment ahead of the State Bank of Pakistan's (SBP) Monetary Policy Committee (MPC) meeting. Market analysts attribute the dip to expectations of monetary easing, which typically reduces gold's appeal as an inflation hedge. "Gold's decline reflects improving economic indicators, including reduced inflation and stable currency values," noted commodities expert Ali Raza. The Pakistan Stock Exchange (PSX) echoes this optimism, with the benchmark KSE-100 index gaining 173 points (0.12%) to close at 139,380 as investors anticipated a potential rate cut. 

While gold prices retreated, broader economic indicators show mixed performance. Remittances reached \$38 billion in FY2023-24, while Federal Board of Revenue (FBR) collections grew 26.3%, signaling fiscal improvement. However, profit-taking in afternoon trading sessions revealed lingering market caution. Pearl Securities analysts observed, "Early bullish momentum faded as investors locked in gains, suggesting the market hasn't fully priced in expected policy changes." This cautious optimism underscores the delicate balance between improving fundamentals and persistent economic challenges.

As the MPC meeting approaches, gold's trajectory will likely hinge on the SBP's policy direction. A significant rate cut could further pressure bullion prices, while maintaining current rates may revive gold's safe-haven appeal. For now, the Rs356,300 per tola price represents a relief for buyers but signals shifting priorities in Pakistan's investment landscape from traditional asset protection to growth-oriented opportunities in equities and other financial instruments.

