

MARKET UPDATE

02/02/2026

European stocks retreat at start of busy week.

European stocks traded lower Monday, as a selloff in precious metals unnerved investors at the start of a week packed with corporate earnings, central bank meetings and economic data.

At 03:05 ET (08:05 GMT), the DAX index in Germany dropped 0.4%, the CAC 40 in France slipped 0.5% and the FTSE 100 in the U.K. fell 0.6%.

Sentiment has been hard hit Monday by gold and silver extending their sell-off, deepening losses from Friday's rout as the nomination of Kevin Warsh as the next Fed chair resulted in a sharp rise in the U.S. dollar, prompting investors to take profits, ending a rally that had propelled the precious metals to record highs just days earlier.

Spot gold lost just under 6% to \$4,597 per ounce on Monday, having crashed nearly 10% on Friday, the steepest one-day drop in spot gold since 1983.

Silver, which had surged alongside gold on safe haven demand and speculative inflows, also remained under pressure after last Friday's 30% slump that saw the metal log its worst day since March 1980.

Oil prices fall 5% on US-Iran de-escalation.

Oil prices fell nearly 5% on Monday and were heading for the steepest single-session decline in more than 6 months, after U.S. President Donald Trump said Iran was "seriously talking" with Washington, signalling de-escalation with an OPEC member.

Brent crude futures were down \$3.38, or 4.9%, at \$65.94 per barrel at 0528 GMT. U.S. West Texas Intermediate crude fell \$3.33, or 5.1%, to \$61.88 per barrel.

Both contracts sank from multi-month highs as risks of a military strike on Iran receded after Trump's weekend comments.

The slump was also driven by a broader commodities markets sell-off led by deep losses in gold and silver, which analysts partially attributed to a stronger U.S. dollar.

Trump had repeatedly threatened Iran with intervention if it did not agree to a nuclear deal or continued killing protesters. The persistent threats have underpinned oil prices throughout January, said Priyanka Sachdeva, an analyst at Phillip Nova.

JPM raises gold price forecast on enough demand.

JPMorgan has raised its year-end 2026 gold price forecast to \$6,300 an ounce, citing sustained and strengthening demand from both central banks and investors, even after the recent bout of sharp price volatility.

Gold and silver both suffered steep pullbacks late last week after rapid accelerations to overextended levels, with the move partly catalyzed by a rebound in the dollar.

Still, JPMorgan analysts said the broader backdrop continues to favor gold, arguing that “longer-term rally momentum will remain intact” and that they remain “firmly bullishly convicted in gold over the medium-term on the back of a clean, structural, continued diversification trend.”

A key driver behind the higher forecast is stronger-than-expected official sector buying. Central banks purchased around 230 tonnes of gold in the fourth quarter, bringing total buying for 2025 to roughly 863 tonnes, even as prices pushed above \$4,000 an ounce. JPMorgan now expects around 800 tonnes of central bank demand in 2026, pointing to ongoing reserve diversification that it believes has further to run.

Investor inflows have also accelerated, with the analysts flagging rising ETF holdings, robust physical bar and coin demand, and broader portfolio allocation into gold as a hedge against a wide range of macro and geopolitical risks.

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