



Market Commentary

Gold prices traded in a broad range, amidst many important events and data points which were lined up that contributed to the volatility, price movement was limited to a ~\$60 range, marking a high of \$1936 and low of \$1877. Comments from President Trump were the highlight as market participants focused on his health after the news about him getting tested positive for COVID, gave a slight jerk to the market. Apart from that, President Trump also added to the volatility in the market after he mentioned to pause talks over the Corona relief bill, few days after making an opposite statement thereby giving a jerk to the metal prices.

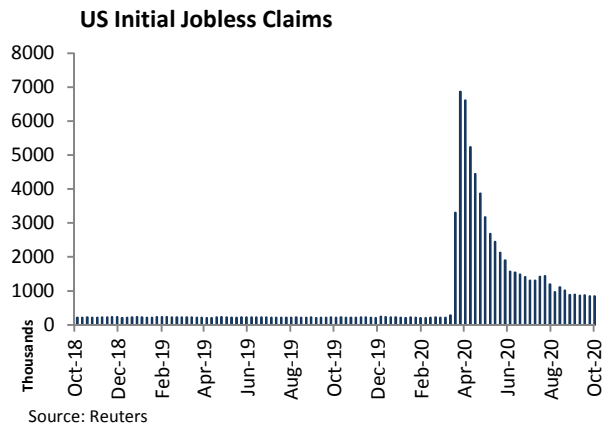
US President Trump with his stance on Corona virus relief bill in the past week is responsible for bringing in volatility in the market. To start the week, President hinted that he wants a new and bigger coronavirus relief approved for the American people than what was negotiated previously in Congress, and an apparent U-turn was witnessed in his statements from just days ago when he ordered such talks to stop negotiations, hence giving a jerk to the gold prices. President Trump blamed House Speaker and leader of the Democrats in Congress, Nancy Pelosi for the aborted talks, saying she demanded an outsized \$2.4 trillion package versus the \$1.6 trillion offered by the Republicans and terminated the negotiations it caused the market to plunge. After all this, just when the comments of US President supporting the negotiations had hit the market and was creating a support for the metal prices, US Officials confirmed the news that President Trump had once again put a stop on the talks and suggested to use leftover funds from expired small business loan group, making market participants more and more anxious and cautious on their positions.

Gold- Weekly Market Data			
Exchange	Gold Spot	COMEX	MCX
Open	1893.6	1909.3	50300
Close	1929.43	1919.5	50817
Change	35.8	11.1	247
% Change	1.28%	0.58%	0.49%
Pivot	1917.4	1917.9	50696
Resistance	1942.2	1930.7	51091
Support	1904.6	1906.7	50421

Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
Open	23.82	24.32	61038
Close	25.12	25.07	62884
Change	1.30	0.75	1739
% Change	5.15%	3.62%	2.84%
Pivot	24.70	24.87	62388
Resistance	25.59	25.43	63738
Support	24.23	24.51	61534

Ratios	
Gold/Silver	78.51
Gold/Oil	46.22

Fed meeting minutes was also released last week but offered no clear sense of their next steps to offset the coronavirus recession thereby leaving the market a bit directionless and encouraging the sideway momentum in metal prices. On other hand, European Central Bank policymakers fear that Eurozone inflation will remain in negative territory until the end of the year. ECB Governor mentioned that instead of a V shaped recovery, rebound will be shakier. RBI policy statement was also released later last week wherein the central bank in line with expectation held rates unchanged and maintained an accommodative stance, along with that certain liquidity measure were also announced, hence acting as a supportive factor for the gold price on domestic front. Rupee extended gains after the governor hinted recovery in the fourth quarter of current financial year.

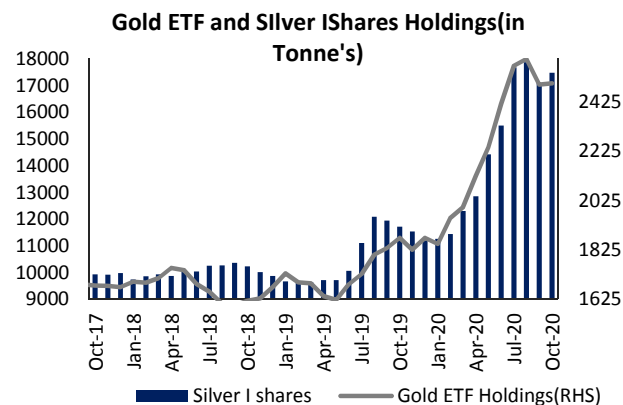


Amidst all the uncertainties and comments uncertainty on the Brexit is keeping market participants on the edge. Volatility during the week was high on fear that Britain will end its post-Brexit transition period without agreeing any trading arrangements. Although, an EU diplomat said that European Union chief Brexit negotiator Michel Barnier wanted a few more concessions from Britain before entering the last intense phase of negotiations on a trade deal as an Oct. 15 deadline looms.

Last week, service PMI from major economies were recorded in-line with the expectations and on the other hand, US weekly jobless claims last week fell marginally to 8,40,000. Important economic data does give trigger the market although overall uncertainties and other updates have an upper hand, hence limiting volatility through the economic data points. Last week, WGC reported that gold backed ETFs added more than 1000 tonnes of bullions worth \$60bIn in the first nine months of 2020, boosting the overall sentiment for the metal. Whereas, holdings in ishares ETF witnessed an outflow of ~70 tonnes and holdings currently stand at 17382 tonnes

Outlook

Looking ahead to this week, economic docket have a very few very important ‘look outs’, important inflation and industrial production data is expected from major economies; if this data is recorded better than expectation it will support the greenback, keeping precious metal under pressure. Market participants will



continue to monitor the pandemic situation and with that investors will also continue to keep an eye on the US-China trade relationship and other uncertainties hovering in the market.

Technical Outlook:-

Gold

MCX Gold traded sideways-to-positive bias in the previous week but failed to close above the immediate key resistance of Rs.51050. The 14-period RSI has inched higher which is indicating strength in price and a crossover in MACD is also confirming the strength. Price sustained trade above resistance will lead the rally towards Rs.52200 levels. Immediate support is at Rs.49850 whereas short-term support is at Rs.49250. For short-term, buying above resistance is recommended.



Silver

MCX Silver traded with positive bias for the second straight week and is indicating further strength in price for short-term. The 14-period RSI is indicating strength in price for short-term and crossover on MACD is also confirming the same. Supports for the metal are placed at Rs.60300 – 59340 levels whereas resistance is at Rs.64000. Short-term bias looks and buying on dip near support is recommended.



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