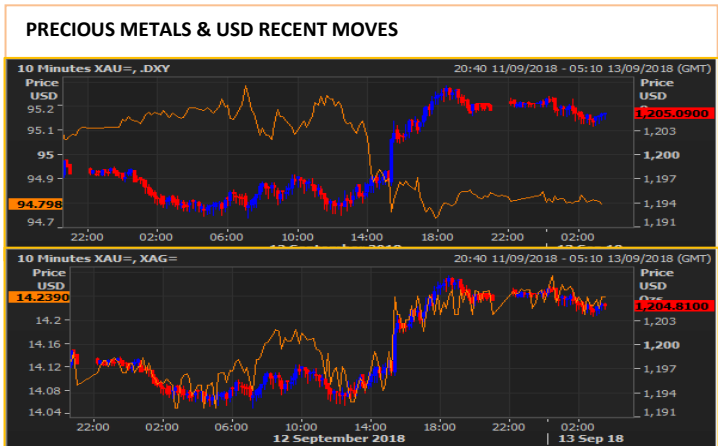


Gold prices from its boring range of 1185-1200, broke past the 1200 psychological mark to a high of \$1208.48 after prices got a fundamental edge on US wholesale Inflation indicator coming negative and US-China trade tensions subsiding.

Safe-haven bets were drawn away from the Dollar leading Gold to see some short-covering this week as gold price range broadened to 1185 – 1208 ahead of the US Central bank policy decision.



Gold closed the session \$8 up at \$1205.45/oz.

## MARKET BRIEF

- In data yesterday, the US wholesale inflation read (Producers' price index, PPI) missed consensus, coming at a negative 0.10% against a consensus of +0.20%. The annualized read also fell to 2.8% in August against 3.3% in July, whereas the Core PPI – stripping off food and energy prices, came at 2.3% annualized in August against 2.7% in July.

Inflation at wholesale level turned soft in August, although wages (based on employment report) had seen inflationary pressure in August. Retail inflation is on the watch next today, with the headline expected at 0.20% and Core CPI annualized expected at 2.3% - same as what Core PPI came at, so yesterday's PPI data shouldn't be so alarming but does turn out to be negative-Dollar and pro-Gold on a short-term basis.

- Another driver for Gold had been the ease in trade tensions, as opposed to last week when US had decided to slap tariffs on Chinese goods, this week it proposed to resume talks with China, taking off safe-haven bets which cloud the Dollar.
- Gold prices were severed with resistance at 1208 in Asia today on lack of additional cues as ahead of US Central bank's meet, participants are not too keen on either bidding Gold further beyond 1208 or offering it below 1185 and are winding off their positions across this range. Traders more or less are expected to wind off yesterday's gains and fall back within the range, should prices fail to hold above 1208.

Strange vulnerabilities exists on either side of the range as the hawkish US Fed can push Gold below 1185 and towards its recent dip at 1160 whereas shorts standing at all time high are also vulnerable for being closed out on any sudden spark, that can lead prices up to 1236. We will see this in the coming sessions.

Key data and events remain on the watch for today. Below is the snapshot of the upcoming events:



Date	Time (GMT+4)	Event	Expected	Previous
13 SEP	16:30	EUR ECB Press Conference	-	-
13 SEP	16:30	USD CPI M/M	0.3%	0.2%
13 SEP	16:30	USD Core CPI M/M	0.2%	0.2%
13 SEP	16:30	USD Unemployment Claims	210K	203K
13 SEP	18:00	USD FOMC Member Quarles Speaks	-	-
14 SEP	16:30	USD Core Retail Sales M/M	0.5%	0.6%
14 SEP	16:30	USD Retail Sales M/M	0.4%	0.5%
14 SEP	17:15	USD Industrial Production M/M	0.3%	0.1%
14 SEP	18:00	USD Consumer Sentiment	96.9	96.2
14 SEP	18:00	USD Inflation Expectations	-	3.0%

### LEVELS

METALS	PREVIOUS CLOSE	RANGE	LAST	+/-
GOLD	1197.55	1208.48– 1192.16	1205.45	\$7.90
SILVER	14.09	14.28 – 14.02	14.21	\$0.12

LEVELS	XAU	XAG
20 DMA	1196	14.70
50 DMA	1212	15.26
100 DMA	1250	15.88
200 DMA	1286	16.24
YTD CHANGE %	-7.45%	-16.16%

LEVELS	RESISTENCE	SUPPORT
XAU	1235/ 1220 / 1208	1185/1158/1130

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