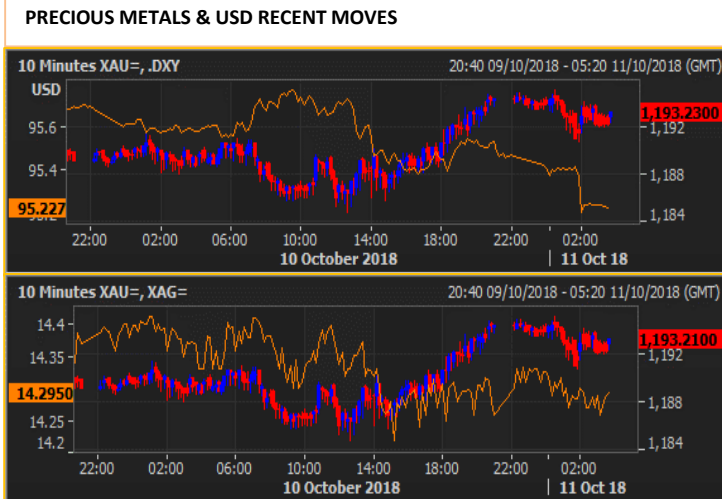


Gold prices after remaining downtrodden through the day, and in a directionless state sellers persistently attempting to break the metal's support around 1180, saw a pullback arising after risk sentiments crashed in the US session on an Equity meltdown and a flee towards safe-haven assets such as Gold & bonds.

Gold climbed from its low of 1184.80 to nearly 1195 as traders covered their shorts in gold and yields in bonds came down on an effective buying in bonds.

Gold closed the session \$5 up at \$1194.36/oz.



#### MARKET BRIEF

- In data yesterday, the Inflation at wholesale level seemed more or less in line with the market consensus, as the Producers Price Index (PPI) stood at a 0.20% increase monthly in September but fell short by 0.20% at 2.6% annualized read for September. Core PPI came in line for both monthly and annualized read at 0.20% and 2.5%.

Today's Consumer Price Index (retail Inflation) could add more relevance to the data, should it complements or contrasts the wholesale inflation report.

- Gold prices staged a modest recovery as Equities saw a massive slide down, with the US Dow Jones equity benchmark closing down 830 points or 3.14% at 25,598 whereas the broad equity benchmark - NASDAQ closed 4% down for the day.

Additionally on a global front, a ripple impact spread to the Far East and Asian stocks, with China CSI 300 down 4.4%, Shanghai Comp trading 5% down and the Indian Nifty down by 2.5%.

Yields on the 10 year government bond corrected from its recent 7-year high of 3.26% to close at 3.2250% yesterday, as bond traders who keenly began pricing in for higher interest rates from the Fed covered back on safe-haven buying in gold and bonds.

- Gold drew positive cues from alternate buying occurring in the metal, after a state of frenzy that drove investors to exit the Equities naturally brought hedge-related bets in Gold. From a fundamental outlook, the renewed sell-off in Asia extending to Europe could lead to further biddings in Gold whereas from a technical standpoint, gold managing to sustain above the 20 DMA @ 1196 could allow



give the metal an edge to move towards the 1200 psychological mark. That limits down possibilities of a downside to 1184 for now.

Below is the snapshot of the upcoming events:

Date	Time (GMT+4)	Event	Expected	Previous
10 OCT	16.30	USD PPI m/m	0.20%	-0.10%
10 OCT	16.30	USD Core PPI m/m	0.20%	-0.10%
11 OCT	3.30	EUR ECB Monetary Policy Meeting Accounts	187K	163K
11 OCT	16.30	USD CPI m/m	0.20%	0.20%
11 OCT	16.30	USD Core CPI m/m	0.20%	0.20%
11 OCT	16.30	USD Unemployment Claims	205K	207K
12 OCT	18.00	Prelim UoM Consumer Sentiment	100.9	100.1
12OCT	20.30	FOMC Member Bostic Speaks		

#### LEVELS

METALS	PREVIOUS CLOSE	RANGE	LAST	+/-
GOLD	1189.17	1194.77 – 1184.80	1194.36	\$5.19
SILVER	14.37	14.4310 – 14.2100	14.26	-\$0.11

LEVELS	XAU	XAG
20 DMA	1196	14.34
50 DMA	1198	14.54
100 DMA	1228	15.30
200 DMA	1276	15.98
YTD CHANGE %	-8.30%	-15.86%

LEVELS	RESISTENCE	SUPPORT
XAU	1220/ 1208 /1196	1184/ 1172 / 1160

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