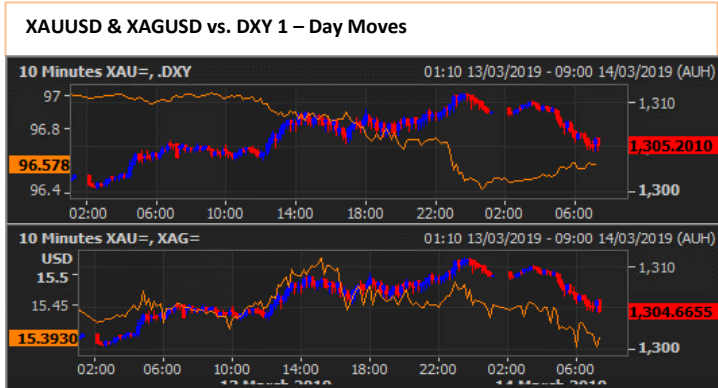


Gold edged up above its 50 DMA on ripple impact to the recent downbeat data from the US – namely the staggering Inflation and the downright weak Employment payroll numbers. Brexit chaos and US-China trade talks more or less have been FX (Dollar mainly) driven on Gold, seeing some bullish bets in Gold after Dollar gave up levels of 97.0 on the Index.



The metal closed the day yet \$9 up at \$1309.03/oz. Asian traders pared gains on short-term selling as Gold failed to regain the upside advantage above its 20 DMA \$1312 levels.

MARKETS

- With the incoming data in favor in Gold entirely for the last couple of session, the metal seems to have undermined the effect of most of it, with the despairing Non-Farm payroll numbers and lagging Inflation across the board did not help for Gold to regain an upside pressure above 1312.
- Yet again we saw the Wholesale Inflation meeting consensus at 1.9% annualized for February but the Core PPI (stripping off food & energy) missing expectations at 2.5% - 1/10th down from the expected for February.
- Considering the above data, a look at the CME FedWatch tool – a proxy for gauging Fed’s intended rate hike shows a near 100% possibility for a no rate hike scenario for H12019 and a near 90% possibility for H22019. Surprising to say but along with that we see a small fraction of pricing building up on rate cut expectations of 25 bps by the US Fed Reserve Bank.
- The metal moved up on a short-lived buying pressure just close to its 20 DMA and thereafter had the Asian & Far East traders’ book profits into the metal to bring it down towards its 50 DMA levels at 1303.

Failure to fully exploit the upside impact of data on Gold and its failure to hold ground above the 1312 / 1303 levels leaves it susceptible to downside pressure up to 1275 whereas an edge above 1312 renews upside pressure to re-test the recent high @ 1347. Key range of 1303 – 47 remains on watch (mid-upper band off BB).

Below is the snapshot of the upcoming events:

| Date | Time (GMT+4) | Event | Expected | Previous |
|--------|--------------|-------------------------------|----------|----------|
| 14 MAR | 17:30 | USD Unemployment Claims | 225K | 223K |
| 15 MAR | 18:15 | USD Industrial Production M/M | 0.4% | -0.6% |
| 15 MAR | 19:00 | USD Consumer Sentiment | 95.5 | 93.8 |



| | | | | |
|--------|-------|----------------------------|-------|-------|
| 15 MAR | 19:00 | USD Job Openings | 7.22M | 7.34M |
| 15 MAR | 19:00 | USD Inflation Expectations | - | 2.6% |

LEVELS

| METALS | PREVIOUS CLOSE | RANGE | LAST | +/- |
|--------|----------------|-------------------|---------|--------|
| GOLD | 1301.76 | 1311.07 – 1300.31 | 1309.03 | \$7.27 |
| SILVER | 15.44 | 15.53 – 15.39 | 15.45 | \$0.01 |

| LEVELS | XAU | XAG |
|--------------|-------|---------|
| 20 DMA | 1312 | 15.55 |
| 50 DMA | 1303 | 15.62 |
| 100 DMA | 1270 | 15.09 |
| 200 DMA | 1247 | 15.13 |
| YTD CHANGE % | 2.05% | -0.196% |

| LEVELS | RESISTENCE | SUPPORT |
|--------|--------------------|--------------------|
| XAU | 1318 / 1312 / 1303 | 1292 / 1284 / 1275 |

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