

Gold was largely unchanged during the day, with the spot moving across the newly held range of 1292 – 1302. Support however, remains all-in for Gold in terms of safe-haven bets on uncertainty and caution amidst the US-China Trade war.

Technically the metal has garnered ample support at its 20 & 50 DMA @ 1280 & 1292, while attempting to hold well above its 100 DMA @ 1296. The range has been quite good and ascending over the week to 1292 – 1304. Weak US Retail sales numbers helped Gold float above 1300 during the early US session but eventually spot softened to close unchanged at \$1296.41/oz.

XAUUSD & XAGUSD vs. DXY 1 – Day Moves



## MARKETS

- Earlier during the week, China's comeback on the Trade War spat turned out to be a game-changer for Gold as the metal gained advantage on major Technical forefronts, with indicators now turned up north and prices trading well supported on key levels.
- Another development during the week had been the US President - Donald Trump suggesting the US Federal Reserve Bank to get involved in the Trade War with China, by lowering the interest rates.

POTUS had maintained from the start for the US Fed to refrain from bringing any rate hikes and somehow the Central bank, seemed to have played in Trump's game by vowing to leave rates unchanged in 2019. Yesterday, the US President was cited suggesting the US Cen bank to start bringing in rate cuts just as China intends to do to neutralize any impact of the high Tariffs – leaving Gold as the benefactor.

- Gains in Gold were subdued with Equities reporting its second consecutive close in green while the US Dollar on the Index stood steady at 97.0. In data, the US Retail Sales fell considerably from 0.20% to -0.20% in April and Core Retail Sales (Excluding Auto) fell 6/10<sup>th</sup> to 0.10%.
- The metal has managed to see consecutive closes above its 100 DMA @ 1296 and further consolidation above it leaves a fair possibility for a move above 1306 – 1312. Key levels of 1306 is also sighted, which is the mid-point of the major drop this year from 1346 – 1266 and a 50% retracement of that gives Gold a strong edge to eye 1312 – 1325 levels.

Key economic events ahead. Below is the snapshot of the upcoming events:



Date	Time (GMT+4)	Event	Expected	Previous
16 MAY	16:30	USD Building Permits	1.29M	1.29M
16 MAY	16:30	USD Manufacturing Index	10.0	8.5
16 MAY	16:30	USD Housing Starts	1.21M	1.14M
16 MAY	16:30	USD Unemployment Claims	220K	228K
17 MAY	18:00	USD Consumer Sentiment	97.8	97.2
17 MAY	18:00	USD Leading Index M/M	0.2%	0.4%
17 MAY	18:00	USD Inflation Expectations	-	2.5%

### LEVELS

METALS	PREVIOUS CLOSE	RANGE	LAST	+/-
GOLD	1296.77	1300.77 – 1292.45	1296.41	\$-0.36
SILVER	14.78	14.85 – 14.72	14.79	\$0.01

LEVELS	XAU	XAG
20 DMA	1280	14.86
50 DMA	1292	15.08
100 DMA	1296	15.35
200 DMA	1255	14.92
YTD CHANGE %	1.09%	-4.52%

LEVELS	RESISTENCE	SUPPORT
XAU	1318 / 1310 / 1302	1292 / 1280 / 1272

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