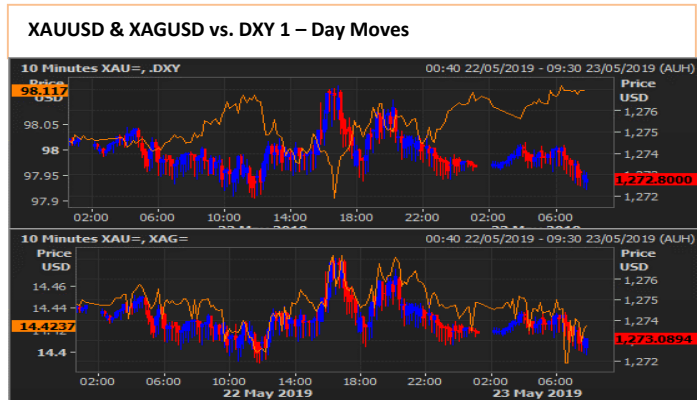


Gold seemed little unchanged after the US Fed released its minutes of the last FOMC meeting, deeming their outlook for being patient as appropriate. Gold having the effect of a no-rate hike scenario priced in entirely, despite a few anomalies, remained unmoved throughout even as dovish cues were present. What could have moved the metal was a further build up in quarter-half pricings that are in place for rate cuts in September & December months.



A stronger Dollar stood steady in the face of a dovish Fed, closing above 98.0 on the Index while Gold closed slightly lower at \$1273.36/oz.

MARKETS

- The US Central bank in its minutes of the last FOMC meeting merely echoed upon its intent to remain patient which had led to a 100% probability of no-rate hike priced in for 2019.

With added dovish pressures and President's recent persuasion for the US Central bank to bring in rate cuts amidst the US-China trade war sees a 30% pricing in place for a rate cut in September and a near 50% pricing in place for a rate cut in December – as per the CME Fed Watch tool.

- A steady US Dollar limited gold gains, pressuring the metal towards its 200 DMA @ 1260. The greenback kept an edge amidst the on-going trade war between US & China above 97.30 but further ascended to 98.0 this week as Brexit uncertainties pushed down Euro & Pound. The Dollar strengthened against GBP by 65 pips or 0.50% and 50 pips against the Euro.

Treasuries saw some moves as the US 10Y G-Sec's yield slipped down by nearly 5 bps to 2.39%.

- Gold June call options nearing expiry saw some moves at 1285 and 1300 strike, seeing nearly 50K open interest added indicative of a traction building up for a move above 1285 – Gold's 20 DMA on a dovish Fed. At the same time sellers added around 30k Put Open interest at the 1270 strike.

Strike at 1300 sees the largest OI of 2.13 mi. oz. along with 1.436 mi. oz. OI at 1250 strike bound to expire unexercised at the start of next day. What's more significant is that June Call saw OI of 815k at 1325, 973k OI at 1400 and 1 mi. OI at 1425 bound to be left unexercised as the negative bias in Gold over rode the expectation of raging bulls at 1325 – 1425.

- Emerging markets sees risk improve as Indian Equities are up post the Election results, keeping gold subdued in Asian trading.



Below is the snapshot of the upcoming events:

Date	Time (GMT+4)	Event	Expected	Previous
23 MAY	15:30	EUR ECB Monetary Policy Meeting Accounts	-	-
23 MAY	16:30	USD Unemployment Claims	-	212K
23 MAY	17:45	USD Manufacturing PMI	53.0	52.6
23 MAY	17:45	USD Services PMI	53.6	53.0
24 MAY	16:30	USD Core Durable Goods Orders M/M	-	0.4%
24 MAY	16:30	USD Durable Goods Orders M/M	-	2.7%

LEVELS

METALS	PREVIOUS CLOSE	RANGE	LAST	+/-
GOLD	1274.72	1277.17 – 1271.90	1273.36	-\$1.36
SILVER	14.44	14.49 – 14.35	14.44	\$0.00

LEVELS	XAU	XAG
20 DMA	1282	14.78
50 DMA	1290	14.98
100 DMA	1296	15.29
200 DMA	1258	14.90
YTD CHANGE %	-0.73%	-6.72%

LEVELS	RESISTANCE	SUPPORT
XAU	1300 / 1292 / 1282	1266 / 1256 / 1245

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