

Gold prices have stood stalled over the last two weeks as it contemplates a direction on either a sell off or a renewed bull run. Gold prices have repeatedly sustained well off on the support areas below 1800 keeping room for a test towards 1831 – 52 in the coming weeks. Last week, CDC reported COVID19 cases in USA rising up to a single day record high of 77,000, keeping risk appetite low in the financial markets with prime beneficiaries of it being, Gold and Silver prices.

US Retail sales posted good numbers on Thursday which brought in a mild sell off till 1795 in Gold prices but soon overcame with plenty dip buyers entering below 1800 to push the metal towards 1812 on late Friday. Gold closed the session and the week over \$10 up at \$1808.90/oz.

XAUUSD & XAGUSD vs. DXY 1 – Day Moves



MARKETS

- In data last week, the US Retail Sales rose to a 7.5% in June above the consensus at 5%, with Core Retail Sales at a 7.3% increase. The Annualized number stood at a 1.10% increase against a drop of 5.65% previously. The sharp variations and increase in Retail Sales largely attributes to the spendings of consumers that springs from the Government stimulus.
- US CFTC COT reported a slash in Gold Net Longs held by Fund houses attributed towards the profit taking towards 1790 for the week ending 14th July as Fund houses cut 420k oz. from Net longs. Net longs still stand at considerably high size of 17.73 mi. oz. as of July 14th.
- Gold and Silver prices have been posting parallel gains. The Gold/ Silver ratio has dropped down to 93.63 from 100.0 a week back.
- Gold has key support area at 20 DMA @ 1790, further down to its 50DMA @ 1750, should we see a reversal. Gold prices however, have seen repeated rejections at support areas below 1800 giving an indication of buyers present which could possibly renew the Gold bull run as mentioned earlier, up to 1831 – 52. Technicals remain firm in the short / medium and long term for Gold.

Short term range of 1790 – 1812 on watch. Break of 1804 could serve as a move across the 1790 on the lower end and 1815 on the higher end. Event calendar fairly light this week.

Below is the snapshot of the upcoming events:

| Date | Time (GMT+4) | Event | Expected | Previous |
|---------|--------------|--------------------------------|----------|----------|
| 21 JULY | 16.30 | Core Retail Sales m/m | - | -22.0% |
| 22 JULY | 16.30 | CPI m/m | | 0.3% |
| 22 JULY | 18.30 | Crude Oil Inventories | - | -7.5M |
| 23 JULY | 15.00 | MPC Member Haskel Speaks | - | - |
| 23 JULY | 16.30 | Unemployment Claims | 1280K | 1300K |
| 23 JULY | 18.00 | CB Leading Index m/m | 2.1% | 2.8% |
| 23 JULY | 11.15 | French Flash Services PMI | 52.3 | 52.3 |
| 23 JULY | 11.30 | German Flash Manufacturing PMI | 48.0 | 45.2 |
| 23 JULY | 11.30 | German Flash Services PMI | 50.2 | 47.3 |

LEVELS

| METALS (\$/oz.) | PREVIOUS CLOSE | RANGE | LAST | +/- |
|-----------------|----------------|------------------|---------|---------------|
| GOLD | 1796.30 | 1811.58– 1794.11 | 1808.90 | \$12.6 |
| SILVER | 19.13 | 19.38 – 18.90 | 19.31 | \$0.18 |

| LEVELS | XAU | XAG |
|--------------|--------|-------|
| 20 DMA | 1790 | 18.45 |
| 50 DMA | 1750 | 17.78 |
| 100 DMA | 1698 | 16.40 |
| 200 DMA | 1610 | 16.96 |
| YTD CHANGE % | 19.24% | 8.30% |

| LEVELS | RESISTANCE | SUPPORT |
|------------|---------------------------|---------------------------|
| XAU | 1831 / 1824 / 1815 / 1810 | 1795 / 1790 / 1784 / 1776 |

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