



## Gold Benchmark

### Gold Prices

Product	Opening Price	% Change from previous week OP
XAU/USD (\$)	1279.67	-0.57%
COMEX Gold Futures (\$)	1281.80	-0.55%
TOCOM Gold Futures (¥)	-	-
Source	Bloomberg	

Get today's analysis on market fundamentals and pricing action on the first page of the report.

Get technical analysis, economic calendars and pricing charts on the second page of the report.

## Weekly: Gold falls as US Fed dims outlook on rate cuts

### Market Overview

**Spot Gold closed at \$1279.11 per ounce on Friday 03/05/19 with a 0.54% loss against Thursday's closing price.** The precious metal has struggled to hold bullish gains as US FOMC officials diminish the potential of interest rate cuts in 2H 2019. The A resilient US dollar has further pressured bullion appeal as Fed policymakers keep monetary policy neutral over a supportive economic backdrop in Q1. The non-interest bearing asset has suffered from severe headwinds as investors deliberate opportunity cost over vigorous showings in risk assets. Robust risk sentiments remain a bane for safe haven demand as investors pivot towards interest yielding assets for Q2. (See diagram 1.1, 1.2 and technical chart below)

### Key Market Commentaries

Key performance indicators to monitor and observe for gold pricing trends.

### US FOMC Meeting – May 2019

**Fed policymakers voted unianimously to keep interest rates steady over a two-day meeting (Apr 30 –May 1).** Fed Chairman Jerome Powell downplayed the possibility of interest rate cuts in 2H 2019 whilst speaking out on positive economic data in Q1. Market expectations shifted consequently as traders eased up on rate cut bets whilst lifting US dollar prospects for the coming term. Though US FOMC officials have noted for lacklustre inflation readings, the committee remains relatively upbeat over economic growth for the coming term. Safe haven assets as such will continue to suffer from considerable headwinds as risk sentiments remain vigorous for Q2 2019.

### Weekly Market Assessment

**A sudden escalation in US-China trade tensions has diminished risk appetites as global stocks retreat over geopolitical uncertainties.** US President Trump has threatened to impose \$200bn worth of tariffs on Chinese goods amidst 'slow progress' in ongoing trade negotiations. With Beijing contemplating on a cancellation in US-China trade talks, safe haven demand looks poised to regain vigour amidst growing market uncertainties this week.

**This Week's Outlook: Mildly Bullish (1265 – 1302)**

### Mid-Term Market Assessment

**Bullion appeal has faced severe headwinds as risk assets illustrate for a positive consensus in Q1 2019.** We remain optimistic on safe haven appeal however as global economic indicators point towards flagging global growth and growing market risks for the coming term. The precious metal will remain supported amidst rising economic uncertainties in 2019.

**Q2 2019 Outlook - Spot Gold XAUUSD: \$1245 - \$1283**

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## Weekly Trend Analysis for Gold – XAUUSD



Chart type: Phillip Futures MetaTrader 5 - Spot Gold (XAUUSD) Price Chart – Week Chart

The precious metal edged lower as market forces struggled to hold bullish gains above 1288.00. Strong support was sighted consequently at 1265.00 as gold prices bounced from a brief test at key support level (EMA 200). Stochastics have indicated for a gentle upturn as gold prices pushed higher this morning. A continuation of the positive trend scenario will see market forces test the next main station of 1288.00 and 1302.00 for the current term.

This Week's trading range for Spot Gold XAUUSD to be between:

Key Resistance Level (1) & (2): 1288.00 & 1302.00 Key Support Level (1) & (2): 1265.00 & 1245.00

### Key Economic Indicators

Economic Releases	Region	Date	Forecast	Previous Result
Retail Sales MoM	EU	06/05/19	-0.1%	0.4%
Nikkei PMI Composite	JP	08/05/19	-	50.4
Nikkei PMI Services	JP	08/05/19	-	52.0
Source	Bloomberg			

## Diagram 1.1 – US Dollar Index



Chart type: Bloomberg – US Dollar Index (DXY) – Week Chart

## Diagram 1.2 – US S&P 500 Index



Chart type: Bloomberg – United States S&P 500 Index – Week Chart

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