Gold Prices

<table>
<thead>
<tr>
<th>Product</th>
<th>Opening Price</th>
<th>% Change from previous week OP</th>
</tr>
</thead>
<tbody>
<tr>
<td>XAU/USD ($)</td>
<td>1493.5</td>
<td>-1.18%</td>
</tr>
<tr>
<td>COMEX Gold Futures ($)</td>
<td>1498.7</td>
<td>-1.31%</td>
</tr>
<tr>
<td>TOCOM Gold Futures (¥)</td>
<td>5151</td>
<td>-0.33%</td>
</tr>
</tbody>
</table>

Source: Bloomberg

Gold Benchmark

Gold plagued by negative bias over US dollar vigour

Market Overview
Spot Gold closed at $1493.50 per ounce on Monday 07/10/19 with a 0.74% loss against Friday’s closing price. Gold prices fell for the 2nd consecutive day as market bulls faced considerable headwinds over a resilient US dollar. An improvement in global risk appetites dimmed bullion appeal considerably as investors pivot away from the non-interest bearing asset. High-level talks between the world’s two largest economies (US-China) will begin on Thursday (10/10) as both parties seek to resolve bitter differences on bilateral trade issues. Gold prices though easing bullish gains over long liquidation activities (Profit-taking) by money managers will remain supported over subdued global growth and accommodative monetary policies. (See diagram 1.1, 1.2 and technical chart below)

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

Market Updates: Will the US Federal Reserve cut interest rates in Oct 19?
Financial markets have continued to price for a 25bps reduction in US borrowing costs during the next FOMC meeting (29th-30th October). Flagging global growth along with a protracted Sino-US trade dispute (15th Months) turned Fed policymakers dovish over rising downside risks (2H 2019). Persistent weakness in US manufacturing activities, muted inflation levels and heightened event risks (US trade protectionism) will likely keep FOMC officials geared towards accommodative monetary policies for the current term. Lower interest rates by global central banks over a decelerating global economy will bolster safe haven appeal in 4Q.

Daily Market Assessment
Profit-taking activities by money managers have afflicted gold prices with negative bias for the current term. Though technical-selling activities is likely to pressure price levels lower on an intraday basis, we remain optimistic on the precious metal over substantial market risks in the longer term (Q4). Failure to hold above 1480.00 (50.0%) will see intense selling pressures towards previous lows of 1459.00.

Today’s Outlook: Mildly Bearish (1480 – 1500)

Mid-Term Market Assessment
Subdued global economic momentum along with rising market risks have bolstered bullion appeal significantly in 3Q 2019. Persistent weakness in global PMIs and lackluster inflation levels has prompted interventionist policies (Dovish) by central banks. Accommodative monetary policies along with heightened global trade uncertainties look poised to boost safe haven appeal for the coming term.

4Q 2019 Outlook - Spot Gold XAUUSD: $1500 - 1575

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.

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Please carefully read the important disclosures at the end of this publication.
Trend Analysis for Gold – XAUUSD

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

Gold prices succumbed to strong negative bias as market bulls struggled to consolidate gains above key psychological level of 1500.00. A continuation of the bearish trend scenario will see market forces target the next main station of 1480.00 (50.0%). Should gold prices slip beneath key trendline support of 50.0%, we expect for a further decline towards 1455.00 in the coming term.

Today’s Trading Range for Spot Gold (XAUUSD):
Key Resistance Level (1) & (2): 1510.00 & 1525.00
Key Support Level (1) & (2): 1480.00 & 1455.00

<table>
<thead>
<tr>
<th>Economic Releases</th>
<th>Region</th>
<th>Date</th>
<th>Forecast</th>
<th>Previous Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFIB Small Business Optimism</td>
<td>US</td>
<td>08/10/19</td>
<td>102.0</td>
<td>103.1</td>
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<tr>
<td>PPI Final Demand MoM</td>
<td>US</td>
<td>08/10/19</td>
<td>0.1%</td>
<td>0.1%</td>
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<tr>
<td>Monthly Budget Statement</td>
<td>US</td>
<td>08/10/19</td>
<td>$96.5bn</td>
<td>$119.1bn</td>
</tr>
</tbody>
</table>

Source

Bloomberg

Key Economic Indicators
Diagram 1.1 – US Dollar Index

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

Diagram 1.2 – US S&P 500 Index

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