**Weekly: Gold clocks six-year high over geopolitical concerns**

**Market Overview**
COMEX Gold Futures (Feb 20) closed at $1552.40 per ounce on Friday 03/01/2020 with a 1.59% gain against Thursday’s closing price. The precious metal surged rapidly as escalating tensions between the United States and Iran triggered massive flights of safety. A US missile strike on Qassem Soleimani (Iranian General) in Baghdad has propelled gold prices north as investors contemplate rising geopolitical risks in the Middle East. Baghdad (Parliament) has voted for the expulsion of foreign troops (5/1) as diplomatic ties deteriorate over the US precision attack on Iraqi soil. Heightened tensions in the Middle East along with threats of retaliatory action between both parties will bolster bullion appeal as investors seek safe haven shelter for the current term. (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: Gold hits six-year high over USD weakness & geopolitical risks**
Persistent weakness in the US dollar along with heightened tensions in the Middle East have propelled gold prices to six-year highs. A prolonged dovish hold in US monetary policy has afflicted bearish conditions on the greenback whilst lifting bullion appeal as investors deliberate opportunity costs. Seasonality trends along with strong Asian retail buying activities have lent further support to the precious metal despite a strong rally in US equities. Risk-off trading activities and bullish technical posturing (Gold) will keep the precious metal positive for the current term.

**Weekly Market Assessment**
Geopolitics will take center stage as markets fixate over growing tensions in the Middle East. Gold as a safe haven asset will benefit substantially as traders engage in risk-off trades. Any further signs of aggravation in political arena by the United States and Iran will drive price levels up as speculative activities intensify in the current term.

**This Week’s Outlook:** **Bullish (1556 – 1600)**

**Mid-Term Market Assessment**
Heightened tensions in the Middle East along with strong selling momentum in the USD has propelled gold prices above six-year highs in 2020. An increase in safe haven buying and risk-off sentiments has bolstered bullion appeal as markets contemplate looming geopolitical uncertainties. Though we remain dim on bullion prospects (2020) over signs of bottoming in the global economy, risk-off appetites look poised to support price levels for 1Q.

**1Q 2020 Outlook – COMEX Gold Futures: $1485 – 1525 (Revision)**

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Trend Analysis for Gold – XAUUSD

Chart type: Bloomberg – COMEX Gold Futures Price Chart – Monthly Chart

The precious metal clocked six-year highs as price action continue to illustrate for a strong bullish bias. A continuation of the positive trend scenario will see gold prices revisit key technical level of 1586.00 (61.8 Fibonacci Retracement). Should gold bulls breach immediate resistance (1586.00), we expect for a rapid surge in price levels towards key psychological level of 1600.00. Gold prices must hold above 1555.00 for an extension of the bullish wave for the current term.

This Week’s Trading Range for COMEX Gold Futures (Feb 20):
Key Resistance Level (1) & (2): 1586.00 & 1600.00 Key Support Level (1) & (2): 1555.00 & 1525.00

Key Economic Indicators

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<th>Economic Releases</th>
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<th>Date</th>
<th>Forecast</th>
<th>Previous Result</th>
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Source Bloomberg
**Diagram 1.1 – US Dollar Index**

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

**Diagram 1.2 – US S&P 500 Futures**

Chart type: Bloomberg – United States S&P 500 Futures (CME Group) - Week Chart
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