

Gold Tumbles 3%+; Safe Haven Not so Safe:

Gold tumbled more than 3% on Friday, joining the carnage in oil and on Wall Street. Gold futures for April delivery on New York's COMEX were down \$57.50, or 3.5%, at \$1,585 per ounce, falling off the key \$1,600 berth. The last time a benchmark gold future lost more in a day was in February 2018, when it slumped 4.6%.

Gold was a safe haven that many investors piled into over the past month as tremors over the CORONAVIRUS crisis slowly built. Earlier this week, the yellow metal hit seven-year highs just short of \$1,700, raising hopes that it might have a shot later in the year at cracking the \$1,900 record high. Yet over the past four sessions, bullions descended into the red, before finally tumbling on Friday. Two reasons were cited by analysts: higher margin calls imposed on gold traders and selling by hedge funds to cover losses elsewhere.

"Why are we not at \$1,700 on gold? That's because hedge funds do not want a disastrous February performance and need to sell winning gold positions to counter their losing stock holdings," said Ed Moya at New York-based online trading platform OANDA. Still, there were bullish hopes that after Friday's shakeout, gold would attempt a return to \$1,600.

(Source: - www.investing.com)



Technical outlook:

GOLD (APR) futures technical chart has formed an "Ascending Broadening Wedge" pattern in a daily time frame. As we saw Prices are unable to sustain at higher levels and plunged drastically as Margin Calls are triggered. Last few sessions ended up in bearish trend along with some corrections inside the channel, the market is expected to continue its pullback rally for the support range of 40,800-40,500, a strong support is seen from previous month-old support line, if the key support holds strong then the market might have a chance to retest the same and revise the trend on bullish note once again. The upside rally could test up to 42,600-44,000 levels in upcoming sessions. An alternative scenario indicates that if it breaks and sustain below the support level of 40,500 then selling pressure could emerge for the downside target of 39,800-38,500. In the meantime be patient, wait for this pull back to get out of the way, and then be a buyer.

@ Futures	Expiry Date	Quotation/ Base Value	Close	WoW % change	52 wk H/L	S2	S1	Pivot	R1	R2	Trend
GOLD	03-Apr-20	10 GM	41300	-3.26%	42790/37530	39640	40500	42150	43030	44600	DOWN
SILVER	05-May-20	1 KG	43556	-9.96%	52520/41429	40000	42200	46150	48350	52300	DOWN
CRUDE OIL	19-Mar-20	Rs/bbl	3263	-15.38%	4604/3206	2811	3037	3432	3658	4050	DOWN
NG	26-Mar-20	Rs/mmBtu	124.1	-10.59%	159/120	108.5	116.5	127.5	135.3	146.5	DOWN
COPPER	21-Mar-20	1 KG	420.85	-2.20%	451/415	405	414	423	432	441	MODERATE
NICKEL	21-Mar-20	1 KG	902	-3.47%	1032/889	864	882	907	925	950	MODERATE
LEADMINI	21-Mar-20	1 KG	143.8	0.14%	153/139	137	140	143	146	148	MODERATE
ZINCMINI	21-Mar-20	1 KG	154.75	-4.62%	186/150	143	149	156	162	169	MODERATE
ALUMINI	21-Mar-20	1 KG	136.8	-0.94%	146/134	132	134	136	138	140	MODERATE