

Gold Falls After Positive Jobs Data, London Fix Sparks Selloff

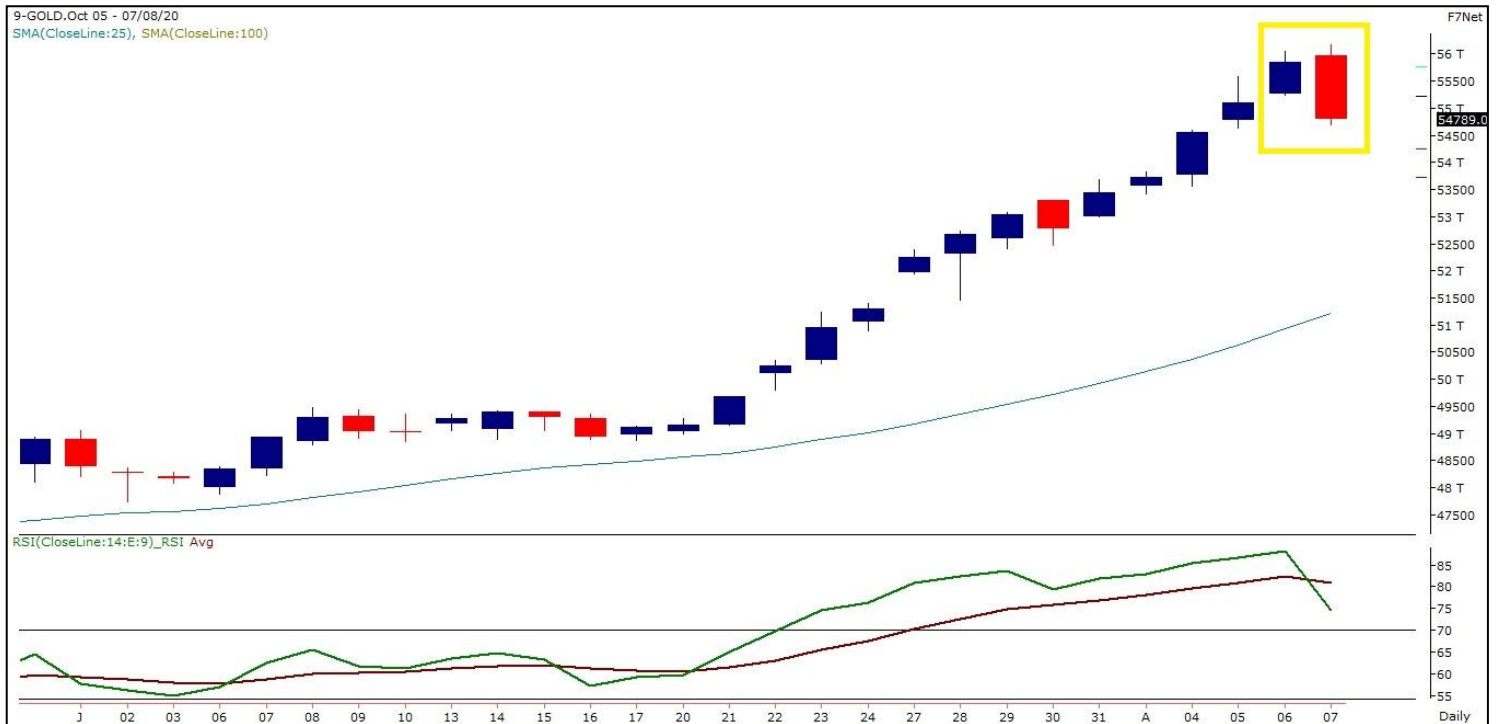
Gold fell from a record as better-than-expected U.S. jobs data signaled the economic rebound is still making headway. Selling was also exacerbated as traders fixed the London gold price lower and the dollar curbed the metal's haven appeal. Payrolls rose by 1.76 million in July, beating estimates for a 1.48 million gain, according to data released on Friday, while the unemployment rate fell more than expected.

Prices also weakened as the LBMA gold price was set about \$14 lower in the afternoon auction, according to Tai Wong, head of metals derivatives trading at BMO Capital Markets. The dollar headed for its first gain in four sessions amid a deepening rift between Washington and Beijing. **Gold slides on stronger dollar, better-than-expected jobs data.**

Bullion fell as much as 2.3%, the most since June, but it's still up more than 33% this year, putting it on track for the biggest annual gain in over four decades. It's also poised for the longest stretch of weekly gains since 2006 as the health crisis, negative real rates and geopolitical risks spark a flight to precious metals. Further gains are predicted -- Bank of America Corp. reiterated its forecast that gold may reach \$3,000 an ounce in 18 months and said it's "feasible" that silver could hit \$35 in 2021.

Spot gold declined 1.6% at \$2,031.09 an ounce as of 4:03 p.m. in New York after earlier hitting a record \$2,075.47. Prices are still up for a ninth week, while holdings in exchange-traded funds backed by the metal are at an all-time high.

(Source: <https://www.foxbusiness.com/>)



Technical outlook:

MCX GOLD (Oct) technical chart has formed a "Bearish Engulfing" candlestick pattern on the daily time frame. The last few sessions ended bullish in trend before the brutal fall on Friday. The overall trend is bullish in Gold but the market needs some correction in Gold prices after this massive rally. As per the technical aspects based on the current price action, the market is expected to have some pullback in Gold prices. The Pullback will be confirmed once the price breaks support level of 54,500. The downside rally could extend up to 53,200-52,300 levels in the upcoming sessions. An alternative scenario indicates that if it is unable break and sustain below the support then the upside rally could continue for the target of 58,000-60,000 levels on upcoming sessions.

@ Futures	Expiry Date	Quotation/ Base Value	Close	WoW % change	52 wk H/L	S2	S1	Pivot	R1	R2	Trend
GOLD	05-Oct-20	10 GM	54885	2.7%	56191/45596	52221	53505	54848	56132	57475	UP
SILVER	04-Sep-20	1 KG	74483	14.6%	77949/41558	59581	66870	72410	79699	85239	UP
CRUDE OIL	19-Aug-20	Rs/bbl	3094	1.9%	3263/2520	2814	2940	3101	3227	3388	MODERATE
NG	26-Aug-20	Rs/mmBtu	168	24.2%	172/121	123	146	159	181	194	UP
COPPER	31-Aug-20	1 KG	502	0.3%	516/441	489	495	506	513	523	MODERATE
NICKEL	31-Aug-20	1 KG	1097	5.1%	1117/964	144	148	152	156	159	MODERATE
LEAD	31-Aug-20	1 KG	152	1.9%	155/143	178	184	188	194	198	MODERATE
ZINC	31-Aug-20	1 KG	189	2.9%	192/162	999	1047	1082	1130	1165	MODERATE
ALUMINIUM	31-Aug-20	1 KG	145	3.3%	148/136	137	141	144	148	152	MODERATE