

Gold Suffers Worst Week in More Than 2 Years After Fed Drama:

Gold bulls suffered their worst week since the 2020 Covid outbreak as prices fell almost 6% on the Federal Reserve's expedited timetable for rate hikes and stimulus tapering. The moves generated fear beyond the necessary which played out well for the yellow metal's bears.

The Federal Reserve signaled at the end of its monthly policy meeting on Wednesday that it will raise interest rates at least twice by the end of 2023 to 0.6% from current levels of zero to 0.25%. The Fed also said it was looking out for data on when to start tapering its monthly asset purchase of \$120 billion. The central bank has been buying at least \$80 billion in Treasury bonds and \$40 billion in mortgage bonds to support credit markets and the economy since the COVID-19 outbreak last year.

The well-expected moves still managed to generate more market panic than necessary, sending the previously-battered Dollar Index rallying on the rate hike expectations and hammering commodities priced in the currency, including gold. Bears in the yellow metal loaded up massively on shorts a day after the Fed's announcement, despite U.S. weekly jobless claims on Thursday that had been supportive to gold.

Gold futures on New York's Comex settled at \$1,769 per ounce on Friday, down \$5.80, or 0.3%. For the week, the decline was \$110, or 5.9%, the biggest drop in Comex gold since the week ended March 6, 2020.

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

9-GOLD.Rolling - 18/06/21
SMA(CloseLine:100)



Technical outlook:

MCX Gold Aug futures technical chart has taken the formation of "Descending broadening wedge" pattern in a daily time frame. The last few sessions ended in a Bearish tone after taking the reversal from the major resistance level of 49500. The market is expected to continue the Bearish momentum based on the current price action, Once the prices break and sustain below the major support holding at 46600 then the downside rally could test 45800 – 45200 in the upcoming trading sessions. Alternatively, if the market struggles to break the support level, then it might revise the trend to bullish once again for the upside targets of 47300-48100. Key resistance holds at 47200.

@ Futures	Expiry Date	Quotation/ Base Value	Close	WoW % change	52 wk H/L	S2	S1	Pivot	R1	R2	Trend
MCXBULLDEX	24-Jun-21	INDEX	14465	-5.05%	16251/13780	13933	14199	14700	14966	15467	DOWN
MCXMETLDEX	21-Jun-21	INDEX	14435	-5.34%	15870/13240	13790	14113	14706	15029	15622	DOWN
GOLD	05-Aug-21	10 GM	46800	-4.26%	51875/43320	45324	46062	47406	48144	49488	DOWN
SILVER	05-Jul-21	1 KG	67580	-6.42%	74426/62500	64460	66020	69060	70620	73660	DOWN
CRUDE OIL	21-Jun-21	Rs/bbl	5310	2.02%	5080/3457	5108	5209	5281	5382	5454	UP
NG	25-Jun-21	Rs/mmBtu	239	-1.77%	240/176	226	232	240	246	253	UP
COPPER	30-Jun-21	1 KG	694	-7.24%	813/585	653	674	712	732	770	DOWN
NICKEL	30-Jun-21	1 KG	1275	-5.19%	1446/1145	1211	1243	1301	1333	1391	DOWN
LEAD	30-Jun-21	1 KG	172	-0.49%	182/155	166	169	171	174	176	MODERATE
ZINC	30-Jun-21	1 KG	230	-4.83%	243/202	220	225	235	240	250	DOWN
ALUMINIUM	30-Jun-21	1 KG	190	-2.36%	206/159	183	187	192	196	201	DOWN