

**Gold Awakens As The Dollar Weakens, Investors Weigh Fed Policy**

Gold awakened, recovering from the drop on August 27, as the dollar sank with most of the major investors weighing the effect of the Federal Reserve's new approach to setting United States monetary policy. The precious metal gained the most in almost a fortnight and the US dollar touched a two-year low a day after Fed Chair Jerome Powell spoke. He said that the central bank will aim for inflation that averages 2% over time. These comments sent bullion on a roller-coaster ride in the Asian and European sessions on Friday.

Powell signaled the Central Bank will stay accommodative for longer taking a more tolerant approach on inflation, but will not hesitate to act in the case that consumer prices rise significantly above its goals.

**"Powell's speech did not threaten the bullish narrative for gold and silver. Low-interest rates for longer, a weaker dollar, massive amounts of stimulus; and the increased demand for inflation hedges are likely to continue to drive demand for both metals."**

The most significant risk to gold currently remains the discovery of a vaccine and a steep correction in stocks. That would result in a major drive to raise cash.



**Technical outlook:**

MCX Gold (Oct) futures chart has formed "Double Bottom" pattern on daily time frame. In previous session we saw prices have taken bounce from trend-line support levels and managed to sustain above it. As per the technical aspects based on the current price action, the market is expected to continue its bullish trend. 50000-50500 is a support zone if it manages to sustain above it then the upside rally could extend up to 53000-54500 levels in the upcoming sessions. Alternatively, if prices close below 50500 then the market might have a chance to turn bearish once again. The downside rally could test up to 49200-48000 level. Key support holds at 50500.

@ 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	2.73%	56191/45596	49705	50577	51404	52276	53103	MODERATE
SILVER	04-Dec-20	1 KG	74483	14.64%	77949/41558	63912	66375	68437	70900	72962	MODERATE
CRUDE OIL	21-Sep-20	Rs/bbl	3094	1.94%	3285/2943	3060	3104	3180	3224	3300	MODERATE
NG	25-Sep-20	Rs/mmBtu	168	24.19%	203/131	167	180	192	205	216	UP
COPPER	30-Sep-20	1 KG	502	0.32%	531/486	502	512	519	528	535	UP
NICKEL	30-Sep-20	1 KG	1097	5.13%	1140/1027	1098	1115	1127	1144	1156	UP
LEAD	30-Sep-20	1 KG	152	1.88%	159/149	151	153	155	157	159	MODERATE
ZINC	30-Sep-20	1 KG	189	2.88%	200/181	189	192	195	198	201	UP
ALUMINIUM	30-Sep-20	1 KG	145	3.31%	148/140	143	144	146	147	148	UP