

**XFlow** MARKETS

# PULSE

SPECIAL-REPORT

20.05.2023



## XAUUSD (GOLD)

**CMP- \$2013.5**

The heavy selling pressure can be witnessed in Gold since last two weeks amid multiple factors. Firstly, this selling can be considered as a profit-booking phase as Gold rallied earlier this year. Secondly & the major contributing factor is strengthening of US Dollar Index. Ongoing U.S debt-ceiling negotiations as the deadline June 01 for repayment is approaching created panic & tension amongst the traders which cushioned the USD & dragged down the precious metals. How-so-ever, the recent statement from U.S President Joe Biden over signing up an agreement deal to raise the ceiling limit as soon as possible led a sigh of relief in markets & pushed up the Gold since last session. Besides this, the uncertainty looms over FOMC interest rate hike decision in its June meeting as U.S revealed higher employment rate & inflation rate which may force the U.S Central Bank to adopt monetary tightening steps. Nevertheless, the global outlook & recovering Chinese economic conditions may weaken the USD over coming months & bullishness may be resumed in Gold again. As seen in the chart, although the Gold has crossed down the lower trend-line of channel pattern; yet it is hovering near previous lows of \$1960 levels & may form double bottom. If sustained, then a strong reversal may be noticed in near term & hence, buying on each & every dip may be recommended in Gold with the possible targets of **\$1998.5 & \$2025.44** on short to medium term basis.

**Resistance- \$2008.91-\$2050.46**

**Pivot Point- \$1980.51**

**Support- \$1938.34-\$1910.60**

**Expected Trend- Bullish**

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