

CME GOLD (\$2,748.70, 33.70)



Our Call of The Week:

Mildly Bullish

20 January 2025

Market Commentary

Highlights:

UK: UK retail sales dropped 0.3% in December, risking Q4 contraction and challenging finance minister Rachel Reeves.

US: U.S. jobless claims rose to 217,000, while December added 256,000 jobs, unemployment decline to 4.1%.

EU: U.S. retail sales rose 0.4% in December, below expectations. Auto and building sales fell, gas sales increased 1.5%.

CN: China's GDP grew 5.4% in Q4, hitting the 5% target for 2023 and 2025.

Precious Metals

Gold (XAU/USD) continued its corrective trend for another week, surpassing the \$2,700 mark per ounce for the first time since mid-December, where an initial resistance zone has formed.

Gold's weekly gain coincided with a pullback in the US Dollar, as the US Dollar Index (DXY) retreated after six consecutive weeks of gains, despite reaching new cycle highs earlier. Disappointing US data, especially from the CPI, fueled hopes that the Federal Reserve might continue cutting interest rates this year. This speculation led to a decline in US yields, which weakened the dollar and supported a bullish outlook for gold.

Key concerns for gold include the potential tariffs on European and Chinese imports under the Trump administration, along with relaxed corporate regulations and fiscal policies. These actions could lead to inflationary pressures, possibly prompting the Federal Reserve to adjust its easing cycle or even consider tightening. In summary, fears of rising inflation and its impact on the Fed's strategy should help support gold prices. If tariffs and looser fiscal policies are enacted, it will be important to assess their scale and duration, which could allow gold to regain some of its appeal.

From a technical standpoint, gold is likely to face resistance around \$2,715, followed by the \$2,724-2,725 area, which marked a one-month high last Thursday. With oscillators showing positive momentum on the daily chart, further buying could push gold toward the \$2,745 level, with potential to reach \$2,760-2,762. Gold may eventually aim for the all-time high around \$2,790, hit in October 2024.

On the downside, a drop below the \$2,700-\$2,690 support could present a buying opportunity, with support expected near \$2,662. If it falls below this level, gold could test \$2,635, then \$2,620-2,615, a zone aligned with a rising trendline from November and the 100-day EMA.

Some significant economy data for the week:

USD - Unemployment Claims, Flash Manufacturing PMI, Flash Services PMI

EUR - IFrench Flash Manufacturing PMI, French Flash Services PMI, German Flash Manufacturing PMI, German Flash Services PMI

GBP - Claimant Count Change, Flash Manufacturing PMI, Flash Services PMI

Key Price Changes

Precious Metal COMEX

Contract	Last	Wkly Chg	%	High	Low
Gold	2,748.70	33.70	1.24	2759.20	2672.00
Silver	31.141	-0.173	-0.55	31.985	30.115
Platinum	965.50	-30.60	-3.07	997.20	938.50
Palladium	967.10	-1.30	-0.13	983.50	932.00

Base Metal LME

Contract	Last	Wkly Chg	%	High	Low
Copper	9,190.00	98.50	1.08	9290.00	9063.50
Aluminium	2,684.50	113.00	4.39	2692.00	2553.00
Lead	1,967.00	-8.00	-0.41	1987.00	1906.00
Zinc	2,942.00	74.00	2.58	2948.50	2807.50
Nickel	16,097.00	439.00	2.80	16115.00	15620.00

Currencies

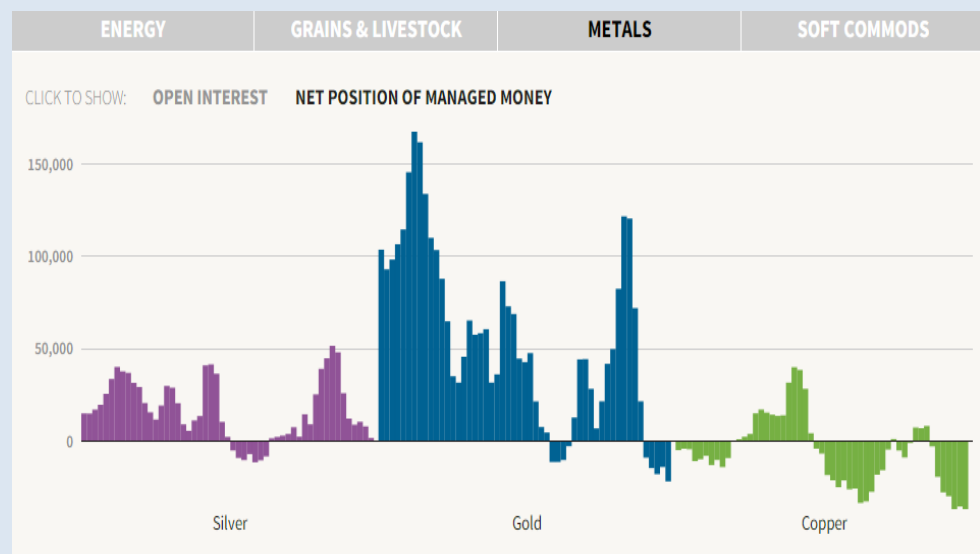
Indexes	Last	Wkly Chg	%	High	Low
US Dollar Index	109.347	-0.303	-0.28	110.176	108.179
USDMYR	4.5063	0.0090	0.20	4.5185	4.4925
USDJPY	156.30	-1.43	-0.91	158.20	154.98
USDEUR	0.9734	-0.0027	-0.28	0.9825	0.9611

	AM	PM
LBMA Gold Price	2679.45	2687.45

Bursa Gold Futures

Contract	Last	Wkly Chg	%	High	Low
JAN 25	2,702.70	10.00	0.37	2725.50	2664.00
FEB 25	2711.20	8.10	0.30	2734.10	2677.80

Source: Bloomberg/ Phillip Futures



Source: CFTC

Bursa Gold



Spot gold



CME Gold Futures



Source : Bloomberg

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