



Risk sentiments saw a sharp slide down after Apple issued a warning that it will not be able to meet its quarterly Sales forecast after Apple production stores saw shutdowns in China due to the coronavirus. This was followed with a complete revamp of the positivity that was infused by PBOC earlier this week, to dumping stocks and world Equities seeing a contagious sell-off on a risk sentiment crash.

Gold was uplifted on risk off and touched the \$1600 key area by mid US session as funds shifted from Equities into Gold. US Treasuries rallied alongside gold (yields dropping) on safe haven demand. Gold ended the session just above the 1600 mark at \$1601.67/oz.

XAUUSD & XAGUSD vs. DXY 1-Day Moves



MARKETS

- Gold prices caught a bid from last week after China revised the number of coronavirus cases. PBOC's injection led Chinese stocks to rally in the early week and kept Gold contained at 1580 levels. The technical bias however, seemed persistent in Gold prices as a gain of 10% in Asian Equities would've led the metal down to 1572 levels, nonetheless Gold remained well supported above the 1585 mark.

With the release of Apple's warning, Equities in Asia saw a washout of the optimism from PBOC, and Equities in Europe and US reported a spill over impact as fears of global economic downturn due to the virus breakout seemed more evident.

- In data, the US NY Manufacturing Index brought optimism in the Dollar as the Factory gauge reported a 10 month high read yesterday sending the greenback on the Index to the highest since September 2019, at 99.50.

Gold rallied alongside Dollar, up by over 1.3% for the session. US 10 Year Treasury bonds reported a decline in yield of 6.1 bps this week at 1.56% as the case for Fed's easing turns even more strong amidst the global slowdown. New death cases were reported with toll rising to 2005 and infected cases rising up to 75,000.

- Technicals for Gold remain on the upside as Gold prices remain on the upward trajectory. Bulls will be targeting the next resistance at 1611, with upside chances running high for a move up to 1650. Earlier this week, we pointed out to the options pricing in a strong bet for 1650 move by April.

Below is the snapshot of the upcoming events:

Date	Time (GMT+4)	Event	Expected	Previous
19 FEB	13.30	GBPCPI y/y	1.7%	1.3%
19 FEB	17.30	USD Building Permits	1.45M	1.42M
19 FEB	17.30	USD Core PPI m/m	0.2%	0.1%
19 FEB	17.30	USD PPI m/m	0.1%	0.1%
19 FEB	20.45	USD FOMC Member Mester Speaks		
19 FEB	23.00	USD FOMC Meeting Minutes		
20 FEB	13.30	GBP Retail Sales m/m	0.7%	-0.6%
20 FEB	16.30	EUR ECB Monetary Policy Meeting Accounts		
20 FEB	17.30	USD Philly Fed Manufacturing Index	10.1	17.0
21 FEB	12.15	EUR French Flash Services PMI	54.4	51.0
21 FEB	12.30	EUR German Flash Manufacturing PMI	44.8	45.3
21 FEB	13.30	GBP Flash Manufacturing PMI	49.7	50.0
21 FEB	18.45	USD Flash Manufacturing PMI	51.5	51.9

LEVELS

METALS (\$/OZ.)	PREVIOUS CLOSE	RANGE	LAST	+/-
GOLD	\$1580.80	1582.71 -1605.10	\$1601.67	\$20.87
SILVER	\$17.77	17.74 -18.23	\$18.16	\$0.39

LEVELS	XAU	XAG
20 DMA	1572	17.77
50 DMA	1542	17.72
100 DMA	1511	17.52
200 DMA	1469	16.90
YTD CHANGE %	5.58%	1.85%

LEVELS	RESISTENCE	SUPPORT
XAU	1595/1586 / 1572	1560/ 1548/ 1532

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