

TECHNO FUNDA REPORT ON

GOLD

Yellow metal can slip further



Moneywise. Be wise.

DAILY CHART OF MCX GOLD (AUG)



Source: Reuters

Recommendation

Investors can take fundamental sell position in Gold (Aug) at current prices for the target of 26000 with stop loss of 26850.

Note:

- These long term fundamental calls are for duration of three to four weeks time frame and do not confuse these with intraday calls.
- It is assumed that investor takes position in two lots and square off position in one lot on partial profit booking and trail stop loss to buying/selling price for second lot.

COMEX DAILY CHART OF GOLD



Source: Reuters

Bearish factors

Rise in Greenback

Dollar index can rise towards 98 levels and any rise in greenback is bearish for gold.

Strengthening US economy and possibility of Fed rate hike

U.S. economic slowdown early this year was less severe than believed. The revised data, showing a 0.2% contraction instead of a 0.7% decline in growth, adds to confidence in the U.S. economy and the likelihood that the Federal Reserve will raise rates in coming months.

The lack of physical interest in the metals and a continued focus on the strengthening U.S. economy, continues to suggest capital flows into the US\$, a double whammy for the metals complex.

Gold Falls on expectation of Greek Deal Outlook

Gold prices fell to their lowest level in nearly three weeks recently, as investors bet that negotiators would eventually push through a deal between Greece and its creditors despite recent roadblocks.

Significant divisions remain between Greece and its international creditors over measures Athens must implement before receiving desperately needed bailout aid. Still, many investors feel that the threat of a Greek exit from the eurozone has receded, and it is only a matter of time until a deal is reached. The optimism regarding an eventual solution is weighing on prices for gold, an asset that becomes more popular among traders in times of economic or political uncertainty.

Crucial talks between Greece and its international creditors ended without result early Thursday casting fresh doubt over the country's future in the euro single currency and piling new pressure on negotiators to reach a deal later in the day. After an eight-hour grilling into the night Wednesday, Greek Prime Minister Alexis Tsipras left talks in Brussels with the leaders of the three main institutions handling his country's massive debts without talking to reporters.

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