



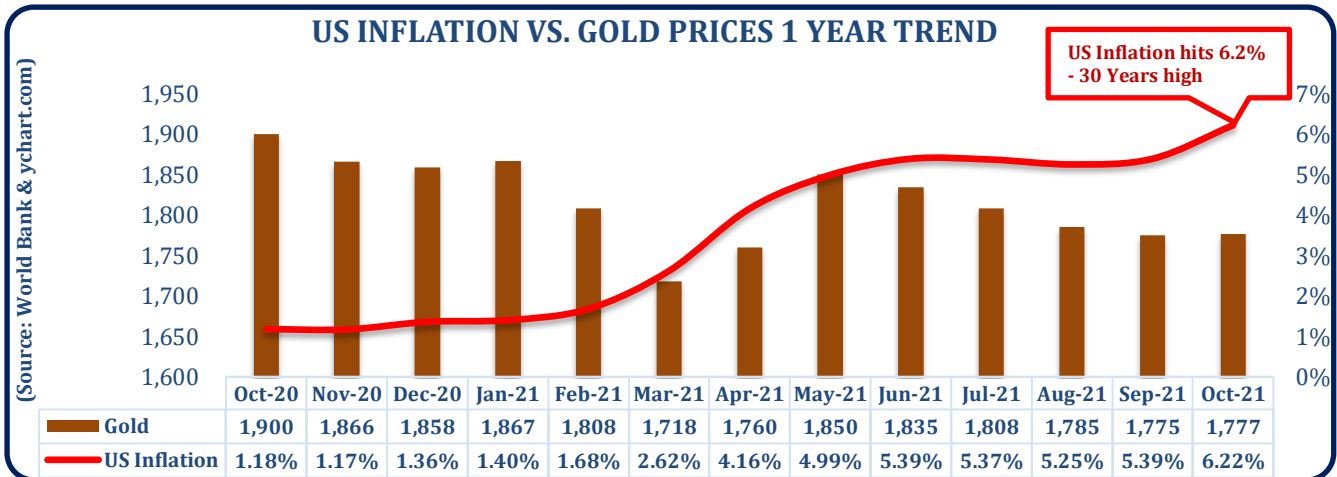
GOLD MOVING UP DESPITE STRONG US DOLLAR, EXPECTED TO MAINTAIN BULLISH MOMENTUM

Gold has been maintaining bullish momentum as concerns over skyrocketing inflation & stronger US dollar resurfacing while higher bond yields are intact. This upward trend is reflected in Gold prices. During August 2020, it has touched to the all-time high levels of \$2,073 per ounce. Since it has been considered as the *“safe heaven-hedge”* against Inflation and deteriorating economic conditions, therefore renewed buying interest is witnessed. This is evident from the graph above.



United States inflation is recorded at 6.2% in October 2021 as compared to 1.18% in October 2020, and 5.39% in September 2021. This inflation hits to 30 years high levels on account of supply side issues & domestic demand revival.

On 3rd November 2021, Federal Reserve has unanimously maintained interest rates at 0.15% in its Monetary Policy decision. This seems Federal Open Market Committee (FOMC) to further dissect inflation & employment related data going forward. **However, it is more likely that FOMC to start tapering (reducing bond purchases). The labor market has started to normalize. Unemployment rate edged down by 0.2 percentage point to 4.6% in October 2021, US Bureau of Labor Statistics. Total nonfarm payroll employment rose by 531,000 in October 2021. This indicates domestic economic recovery in US post Covid-19 pandemic.**



On 9th November 2021, Gold prices were at \$1,824 per ounce. This maintained bullish momentum followed by US Inflation data & strong US dollar levels hits to 16 months high, breaks \$1,860 levels. The market participants are anticipating that the US Federal Reserve will push interest rates higher going forward. As a result, this rally continues, hovering at \$1,866 per ounce. This has increased by around 2.30% since 9th November 2021. However, Gold appreciated by around 5% from \$1,777 per ounce as of 31st Oct 2021 to \$1,867 per ounce as of 16th Nov 2021.

Therefore, it is expected that ongoing Gold momentum to continue going forward.

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