



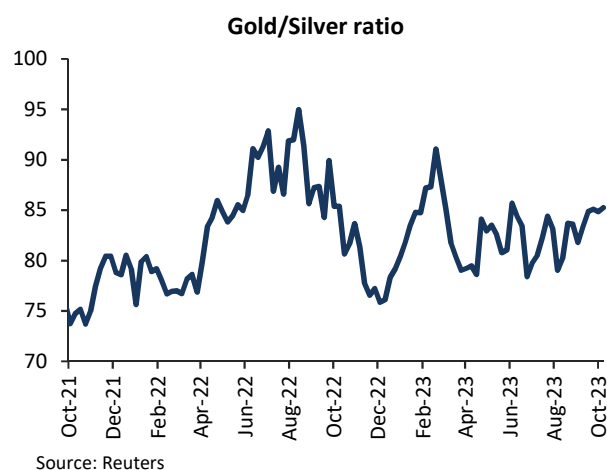
Gold and Silver prices witnessed sharp appreciation in the previous week on back of escalation between Israel and Hamas, higher bets for a pause in US interest rate cycle and mixed comments from Fed officials. Gold on domestic front in this month only has posted gains of ~6.5% and silver has gained by ~4%. On other hand, there were also a few factors, which were not in favour of bullions like better-than-expected US economic data points and higher Dollar Index and US Yields, which traded above 106 and around 5% respectively. US 10Y treasury yields rose to their highest level in 16 years as nervous investors weighed signs of US economic resilience to higher interest rates.

Fed Governor Powell acknowledged recent signs of cooling inflation, but mentioned that the US central bank's efforts to bring inflation towards their target of 2% will continue. Fed chair showed his concerns regarding higher inflation however, also stated that it will be important to see how previous rate hikes will affect the economy, hence economic data points will be very important to watch for. Fed officials were also active last week; their comments were slightly mixed as few were still in favour of rate hike while others believed that current Fed funds rates is enough to bring inflation down.

One of the most impactful driver of the gold and silver market last week—the one that has spurred one of the strongest weeks of 2023 in bullions overshadowing Fed's policy tightening scenario, is the escalating dispute in Gaza between the Israel and Hamas. There were a few developments in the previous week as US President Biden visited Israel to calm

Exchange Contract	Gold Spot	COMEX	MCX
Open	1973	1981	60401
Close	1981	1983	60736
Change	8	55	1328
% Change	2.55%	2.86%	2.24%
Pivot	1983	1984	60724
Resistance	1995	1987	61136
Support	1969	1979	60325

Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
Open	23.02	23.56	71995
Close	23.35	23.35	72909
Change	0.33	-0.21	1622
% Change	2.86%	2.75%	2.28%
Pivot	23.30	23.51	72743
Resistance	23.75	23.47	73765
Support	22.90	23.40	71887



things down, he showed his support for Israel and also unveiled a deal to allow the first humanitarian aid trucks to enter the Gaza strip. However, this was quickly off the news as Israel cut links with Gaza and delayed the aid amidst dispute over inspection regime, along with these two, Jordan, Egypt and Iran are also getting in the limelight, acting as a wind in wildfire.

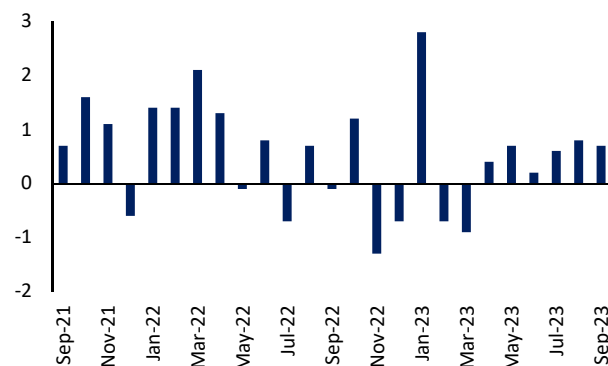
US economic data points were also in focus last week, triggering some volatility in the market, US retail sales was reported better than expectations, indicating a healthier performance last month from the US consumer. Better than expected economic data also indicates more room for the Fed to continue hiking or, at the very least, holding rates higher for longer, as the economy doesn't seem to be suffering too much under tighter conditions. A few housing number scheduled last week were also better than expectations, however, towards the end of last week, Philly Fed number were reported and they failed to meet expectations.

Investment in gold witnessed an outflow for the week ended 15<sup>th</sup> Oct, 2023 and holdings currently stand at ~862 tonnes compared to holding of ~873 tonnes in the previous week. Holding in ishares ETF also witnessed an outflow of ~228 tonnes and holdings currently stand at ~13,745 tonnes. However, central gold buying continues to lift the overall sentiment, along with other nations, China and Russia are also building their gold reserves.

### Outlook

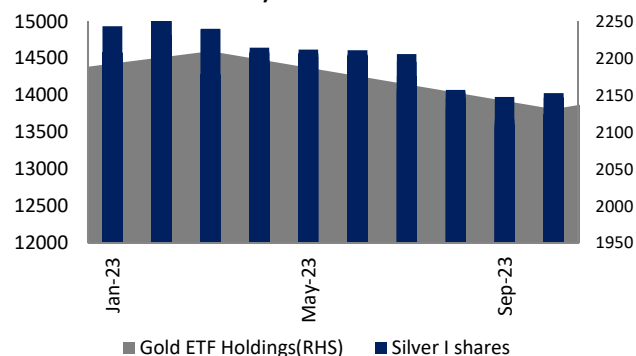
This week, lot of economic data points are scheduled from the US, which could give direction to gold and silver prices. Data points include US advance GDP, Core PCE price index, Core durables goods orders and preliminary Manufacturing and Services PMI data from major economies will be important to keep an eye on. Comments from Fed Governor Powell a week before the Fed policy meeting will be important to keep an eye on. Involvement of other countries in the Israel- Hamas dispute has increased distress in the market; any escalation could lead to further rally in bullions. Dollar Index and US Yields are acting as a strong headwinds, any further upside in it could cap gains for safe haven assets. Rising bets for a pause in rate hike and escalation in dispute could support both gold and silver prices; however, any fall in industrial metals could weigh on silver, keeping it in a range.

US Retail Sales



Source: Reuters

Gold ETF and Silver IShare Holdings (in Tonne's)



Source: Reuters

## Technical Outlook: -

### Gold:

In the preceding week, gold prices surged by over 1300 rupees or 2.20%, marking the second consecutive week of gains. Over this two-week period, prices surged by more than 3800 rupees, an impressive gain of approximately 6.60%. This upward momentum is expected to persist as the price chart indicates a breakout from a falling wedge pattern. A potential target for gold is set at Rs. 62,500. However, investors should remain vigilant as a correction of at least 500 to 800 rupees may materialize before reaching this level, potentially pulling the price back to around Rs. 60,000. Such a correction could present a favorable buying opportunity, with a key support level at Rs. 59,100 serving as a stop loss.



### Silver:

Silver prices recorded a significant upswing of approximately 1600 rupees, reflecting a percentage surge of roughly 2.20%. This marked the second consecutive week of gains following a pronounced downturn. It's worth noting that silver prices have returned to a critical level that previously resulted in a breakdown. Currently, the primary resistance or obstacle for silver stands at Rs. 73,800. A sustained breach above this level has the potential to propel the price higher, targeting the range of Rs. 75,000 to 76,500. However, if a breakthrough fails to materialize, the rally could lose steam and potentially drag the price back towards Rs. 70,000.





<b>Navneet Damani</b>	<b>Head Research- Currency and Commodities</b>	<a href="mailto:navneet.damani@motilaloswal.com">navneet.damani@motilaloswal.com</a>
<b>Manav Modi</b>	<b>Analyst- Precious Metals</b>	<a href="mailto:manav.modi@motilaloswal.com">manav.modi@motilaloswal.com</a>

**For any details contact:**

Commodities Advisory Desk - +91 22 3958 3600

[commoditiesresearch@motilaloswal.com](mailto:commoditiesresearch@motilaloswal.com)**Commodity Disclosure & Disclaimer:**

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

**Terms & Conditions:**

- This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.
- This material is for the personal information of the authorized recipient and we are not soliciting any action based upon it.
- This report is not to be construed as an offer to sell or solicitation of an offer to buy any commodity or commodity derivative to any person in any jurisdiction where such an offer or solicitation would be illegal.
- It is for the general information of clients of MOFSL. It doesn't constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.
- The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL.
- The report is based on the facts, figures and information that are considered true, correct, reliable and accurate.
- All such information and opinions are subject to change without notice.
- Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.
- We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed.
- Neither MOFSL, nor any person connected with it, accepts any liability arising from the use of this document.
- The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the commodity referred to in this material may go up or down. Past performance is not a guide for future performance.
- Certain transactions including those involving commodity derivatives involve substantial risk and are not suitable for all investors.
- Reports based on technical analysis centers on studying charts of a commodity's price movement and trading volume as opposed to focusing on a commodity's fundamentals and as such may not match with a report on a commodity's fundamentals.
- Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject commodity for which Research Team have expressed their views.
- MOFSL or its associates or Research Analyst or his relatives may have Open Position in subject commodity.
- A graph of daily closing prices of commodities is available at <http://www.moneyline.co.in/>
- Opinions expressed are our current opinions as of the date appearing on this material only. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.
- The commodities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.
- This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.
- The Company reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the commodities mentioned in this document.
- The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein.
- The commodities described herein may or may not be eligible for trade in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.
- Certain transactions - including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors.
- MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may (a) from time to time, have long or short positions in, and buy or sell the commodities mentioned herein or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodity/ (ies) discussed herein or have other potential conflict of interest with respect to any recommendation and related information and opinions. However the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the commodities mentioned in the research report.
- MOFSL and its associates and Research Analyst have not received any compensation or other benefits in connection with the research report. Compensation of Research Analysts is not based on any brokerage transactions generated by broking activities under Motilal Oswal group.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; [www.motilaloswal.com](http://www.motilaloswal.com). Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.: 022-40548085.

**Grievance Redressal Cell:**

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	<a href="mailto:query@motilaloswal.com">query@motilaloswal.com</a>
Ms. Kumud Unadhyay	022 40548082	<a href="mailto:servicehead@motilaloswal.com">servicehead@motilaloswal.com</a>
Mr. Ajay Menon	022 40548083	<a href="mailto:am@motilaloswal.com">am@motilaloswal.com</a>

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to [query@motilaloswal.com](mailto:query@motilaloswal.com). In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com), for DP to [dp@grievances@motilaloswal.com](mailto:dp@grievances@motilaloswal.com).