

Technical Report: Gold prices eased slightly on Tuesday, falling back after breaking out on Monday. Prices broke out above trend line resistance near 1,294, which is now seen as short-term support. Additional support is seen near the 50-day moving average at 1,291, and then the 10-day moving average at 1,283. Resistance is seen near the April highs at 1,310. Momentum remains positive as the MACD histogram prints in the black with an upward sloping trajectory which points to higher prices. The fast stochastic is accelerating higher, and is widening from the slow stochastic which reflects accelerating positive momentum.

Daily Support/Resistance :

S3	S2	S1	Pivot	R1	R2	R3
1275	1283	1289	1296	1304	1310	1317



Fundamental Report: Gold prices eased slightly but hold near support after breaking out of trend line resistance on Monday. While riskier assets rebounded on Tuesday, the feeling that volatility has returned has infiltrated the gold market. The trade dispute between the US and China continues to drive the news.

Tweets and comments from the White House Administration as well as President Trump are attempts to buoy riskier assets. Gold prices remain buoyed, despite an uptick in US yields, which rebounded slightly on Tuesday. The German ZEW survey was mixed, allowin the dollar to gain some traction, UK employment data was also mixed.

The German ZEW survey which is an assessment of the current situation improved from 5.5 to 8.2, which is more than expected. It is the first increase since last September. Not all the news was good news. The future expectations component contracted into negative territory to -2.1 where it had been since April 2018.

Separately, the UK reported average weekly earnings that rose less than expected. Earnings increased to 3.2% year over year, compared to expectations they would rise to 3.4%. Ex-bonus earnings were in line with expectations rising to 3.3% year over year. Unemployment fell to 3.8%, while employment rose 99k less than the 140K expected.

If you look at today's early action, you'll see that 10-year Treasury notes are lower, which means yields are inching higher. The USD/JPY is trading higher, which means investors are selling the so-called 'safe-haven' Japanese Yen and U.S. stock index futures contracts are trading higher, signaling the return of buyers.

Today traders will get an opportunity to react to U.S Core Retail Sales and Retail Sales, any negative number for the dollar could help gold price rally further.

Data(DXB): **4:30PM** Core Retail Sales m/m (Expected : 0.7%, Previous 1.2%) Retail Sales m/m (Expected : 0.2%, Previous 1.6%)

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