



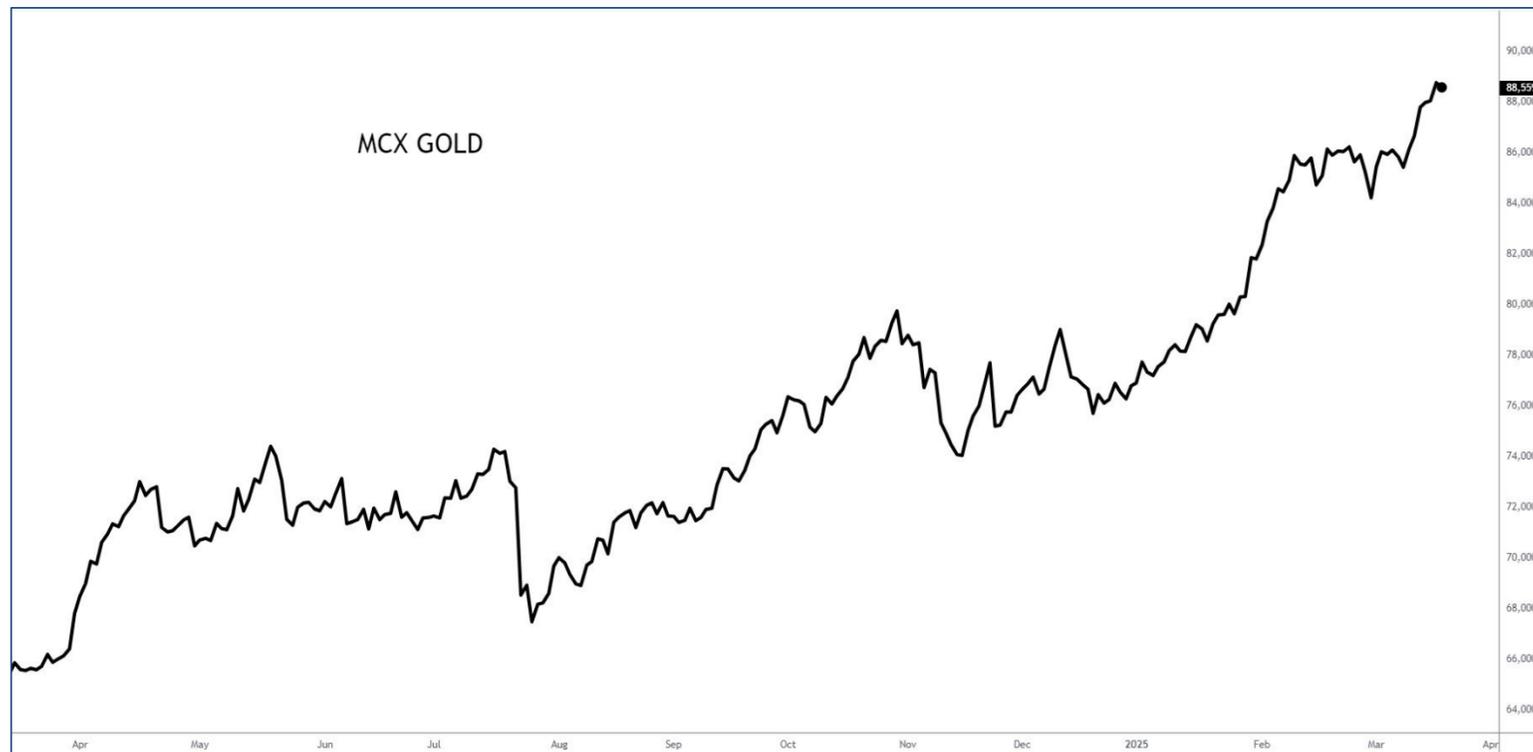
Gold Insight @ \$3,000

Kedia Stocks and Commodities Research Pvt. Ltd.

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MCX Gold prices surged 13% YTD, hitting an all-time high of ₹89,000 per 10g, tracking a 16% global rally fueled by geopolitical instability and U.S. tariff policies. On March 19, the Federal Reserve's policy stance and fresh economic projections remained key drivers, with markets anticipating two rate cuts in 2025. Meanwhile, gold imports dropped to an 11-month low, falling 63% YoY in February due to soaring prices, limiting supply in domestic markets. Gold ETFs attracted ₹19.8bn inflows, marking the 10th consecutive month of positive flows, while RBI's gold reserves remained steady at 879t, signaling central bank confidence in gold's long-term value.



The Dollar Index (DXY) has fallen sharply, losing over 3% in the last three months, recently touching a five-month low of 103.25 before a marginal recovery to 103.5. The Federal Reserve's rate cut expectations continue to weigh on the greenback, with markets factoring in two 25 bps cuts in 2025, and rising speculation of a third. Meanwhile, Trump's aggressive trade policies and 25% tariffs on steel and aluminum have fueled inflation concerns while dampening economic confidence. Weakening growth data and consumer sentiment further pressured the dollar, leading to capital flows favoring the euro and other major currencies over the past quarter.

Global markets remain highly volatile as a mix of geopolitical conflicts, trade wars, and monetary policy shifts drive investor sentiment. The U.S. Federal Reserve's cautious stance on interest rates, with expectations of two cuts in 2025, has weakened the dollar, pushing it down over 3% in the last three months. Meanwhile, rising geopolitical risks have fueled safe-haven flows, sending gold prices to a record \$3,040/oz. The latest Israeli strike on Gaza, coupled with Russia's strategic military shifts in Ukraine, has heightened global instability. Additionally, Trump's aggressive tariff policies, particularly the 25% steel and aluminum duties, are raising inflation risks and complicating global trade, adding further pressure to economic outlooks worldwide.

19 March 2025

Market Overview

Commodity	Open	High	Low	Close	% Change
MCXBULLDEX	21048.00	21261.00	20982.00	21128.00	0.33
MCX Gold	87831.00	89014.00	87692.00	88534.00	0.62
MCX Silver	100358.00	101980.00	99710.00	100056.00	-0.68
Gold \$	2994.80	3052.40	2991.40	3037.50	1.21
Silver \$	34.41	35.00	33.96	34.23	-0.60

OI & Volume Analysis

Commodity	Close	% Chg	OI % Chg	Vol % Chg	OI Status
MCX BULLDEX	21128.00	0.33	6.67	-48.84	Fresh Buying
MCX Gold	88534.00	0.62	-7.35	-48.90	Short Covering
MCX Silver	100056.00	-0.68	-0.54	-59.07	Long Liquidation

Pivot Levels

Commodity	R3	R2	R1	PP	S1	S2	S3
MCX Gold	90456.00	89735.00	89134.00	88413.00	87812.00	87091.00	86490.00
Gold \$	3124.00	3088.00	3064.00	3028.00	3004.00	2968.00	2944.00
MCX Silver	103724.00	102852.00	101454.00	100582.00	99184.00	98312.00	96914.00
Silver \$	35.88	35.44	34.83	34.39	33.78	33.34	32.73

Ratios and Spread

Ratio	Price
Gold / Silver Ratio	87.61
Gold / Crudeoil Ratio	15.28
Silver / Crudeoil Ratio	17.44
Silver / Copper Ratio	111.70
Gold / Copper Ratio	97.86

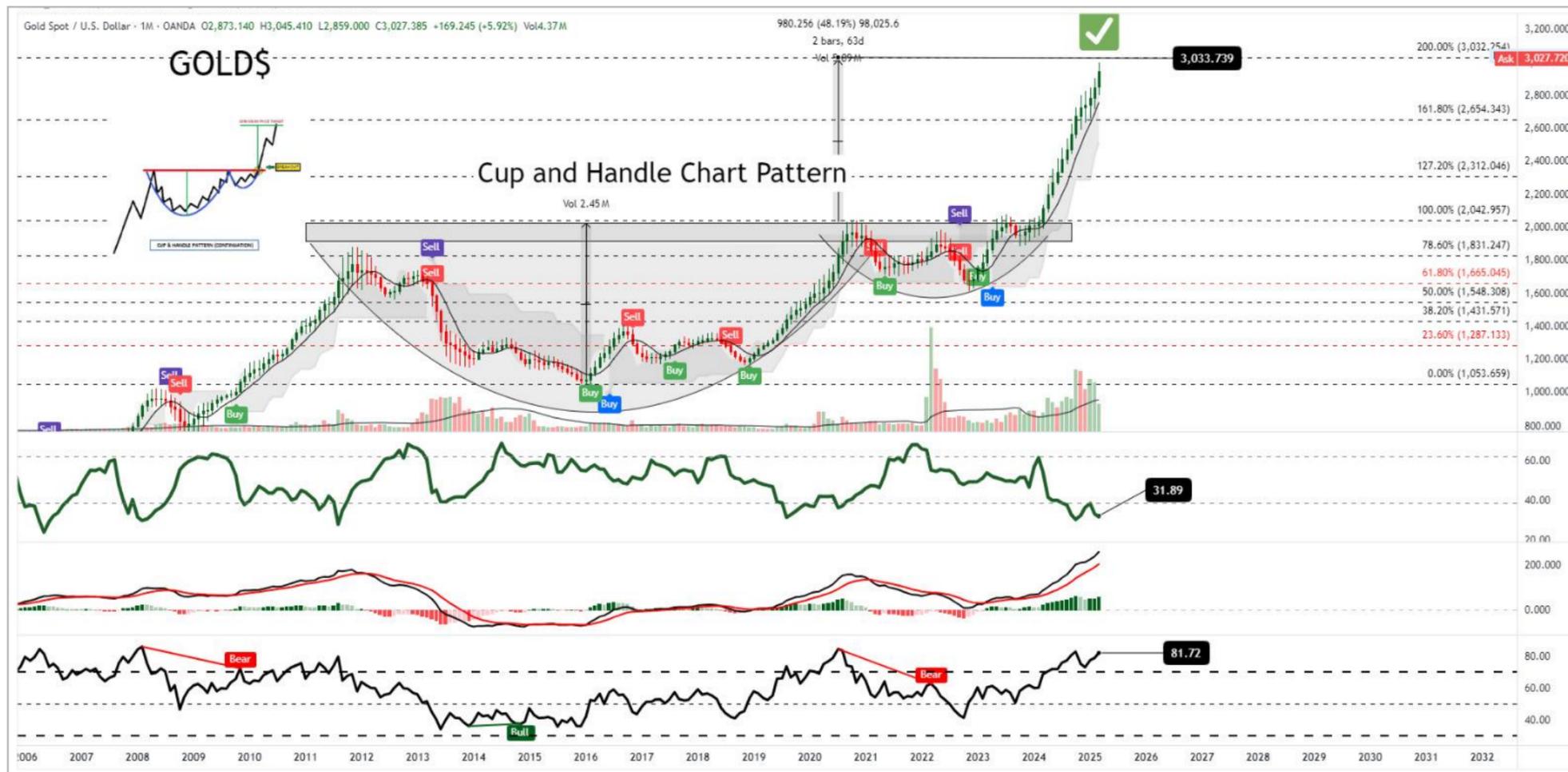
Spread	Price
GOLD JUN-APR	862.00
GOLDMINI MAY-APR	418.00
SILVER JUL-MAY	1745.00
SILVERMINI JUN-APR	1720.00

Key Highlights

- Gold Hits Record High of \$3,040/oz Amid Geopolitical Tensions :** Gold surged to \$3,040/oz, reaching a new record as Israel launched its deadliest strike on Gaza, escalating Middle East tensions. Meanwhile, Russia paused attacks on Ukraine's energy sites, but uncertainty over a ceasefire persists, driving safe-haven demand for bullion.
- MCX Gold Crosses ₹90,000/10g, Gains 13% YTD :** Domestic gold prices skyrocketed 13% year-to-date, crossing ₹90,000 per 10g, fueled by a 12% increase in LBMA gold prices and INR depreciation of 1.3% YTD. Despite demand constraints in jewellery, investment inflows remain strong, supporting prices.
- Gold ETFs See ₹19.8bn Inflows in February, Marking 10th Straight Month of Gains:** Indian gold ETFs recorded ₹19.8bn (~\$227mn) net inflows in February, sustaining a 10-month streak of positive flows. However, redemptions reached ₹7.8bn (\$89.7mn), the highest since April 2024, as some investors booked profits amid record bullion prices.
- Gold Imports Plunge 63% YoY to 11-Month Low in February :** February's gold imports dropped 63% YoY to \$2.3bn, the lowest in 11 months, as soaring prices deterred fresh purchases. Import volume was estimated at 25-30t, reflecting weak jewellery demand despite wedding season expectations.
- RBI Holds Gold Reserves Steady at 879t, Share in Forex Reserves Hits 11.5% :** The Reserve Bank of India (RBI) paused gold purchases in February but its gold reserves remained at 879t. However, the share of gold in forex reserves climbed to 11.5%, the highest on record, reflecting the central bank's continued preference for gold as a strategic asset.
- Silver Under Pressure as Dollar Index Falls Over 3% in Three Months :** The Dollar Index (DXY) slumped over 3% in three months, recently touching 103.25, a five-month low. Weakening U.S. economic growth and trade uncertainties have pressured the greenback, limiting silver's upside potential despite strong demand for safe-haven assets.
- Trump's Tariff Policies Drive Inflation, Support Gold's 16% YTD Rally:** Gold prices gained 16% YTD, hitting record highs as Trump's 25% tariff on steel and aluminum triggered inflation concerns. Market volatility, coupled with the Fed's expected two rate cuts in 2025, has further fueled safe-haven demand for bullion.
- India's Domestic Gold Prices Trade at a Discount Despite Record Highs:** Domestic gold is trading at a discount of \$12/oz to the landed price, slightly narrowing from February's \$17/oz spread. Weak jewellery demand and a rise in old gold sales have kept local prices subdued despite record highs in the global market.
- Global Silver Demand Faces Pressure Amid Fed Rate Uncertainty:** With the Federal Reserve expected to hold rates steady at 4.25%-4.5%, silver prices remain sensitive to macroeconomic shifts. Markets anticipate two Fed rate cuts in 2025, but uncertainty around a potential third cut and global trade policies continue to impact investor sentiment.

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Gold Technicals



Gold prices have surged strongly, reaching a fresh high of \$3,045, following a breakout from a **Cup and Handle chart pattern** on the weekly time frame. This pattern formed over a long period, with the cup starting in 2012 and completing in 2021, while the handle formed from 2021 to 2024. The breakout occurred above \$2,024, indicating a measured target of \$3,024–\$3,035, which has now been achieved. Key Fibonacci levels suggest strong support at \$2,654 (161.8%), while the 200% extension target is \$3,032, aligning with the recent high. The first support is now seen at \$2,920, followed by a deeper support at \$2,768. Resistance levels are at \$3,072 and \$3,195 for further upside. Technically, RSI is at 81.72, indicating an overbought zone, while MACD remains bullish, but at its highest level in 20 years, signaling possible overheating. The Choppiness Index at 31.89 suggests strong momentum but potential consolidation. Fundamentally, gold is rising due to expectations of a U.S. Fed rate cut amid lower inflation (CPI 2.8%, PPI 3.2%) and geopolitical uncertainties, increasing safe-haven demand. Caution: While the trend is bullish, overbought technical indicators and extreme price action could lead to a short-term pullback before further gains.

Action : Based on the **Cup and Handle pattern**, our target of \$3,020 has been achieved. With ongoing volatility, \$3,200 is the next resistance. Fundamentals remain supportive, but a \$150-\$200 pullback towards \$2,800 is ideal for reentry. **The overall outlook remains firm for this year, awaiting a fresh chart setup.**

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