

A SPECIAL REPORT ON
AUSPICIOUS OCCASION OF AKSHAYA TRITIYA

HAPPY
AKSHAYA
TRITIYA
10TH MAY 2024



Akshaya Tritiya 2024: Significance

Akshaya Tritiya is an auspicious occasion for new beginnings, investments, and weddings, believed to bring prosperity. The term 'Akshaya' means 'never diminishing'; traditionally, it is believed that buying gold at this festival signifying the endless (or "akshaya") character of the wealth.

Gold

Gold's intrinsic value and financial versatility render it a highly coveted commodity, alongside its cultural and spiritual significance. Gold, as a tangible asset, has consistently retained its value even amidst economic downturns. Investing in gold is often viewed as a safe haven for ensuring financial stability and serves as a hedge against inflation.

Buying gold is not only a symbol of wealth and success but also an essential hedge against uncertain times, as gold has proven to be a safe haven with increasing returns over the years.

There are many ways to buy and invest in gold

1. Physical gold is the most popular way of owning gold, either in jewellery or gold coins.
2. Derivative trading
3. Gold exchange-traded funds.
4. Sovereign gold bonds
5. Digital gold

Fundamentals

In the midst of escalating geopolitical tensions and rising inflation, gold has surged by over 12% in 2024 thus far, cementing its status as one of the most coveted assets worldwide.

Despite the Federal Reserve signaling a robust economy and a willingness to delay interest rate cuts due to persistently high inflation levels compared to their 2% target, gold has defied expectations.

The pause in the equity market has further fueled the attractiveness of gold as an investment, particularly with Central Banks showing a strong inclination towards allocating capital into the precious metal.

Notably, China's consecutive seventeen-month spree of aggressive gold purchases and the substantial increase in gold volume on derivative platforms have sparked a global buying frenzy.

Being traditionally seen as a hedge against inflation, gold has reaped the benefits of Central Banks' indications that further rate hikes are improbable in the near future.

Traders have adjusted their expectations accordingly, largely eliminating anticipations of immediate interest rate cuts by the Fed. The central bank is now anticipated to consider rate cuts only around September or in the fourth quarter, if at all this year.

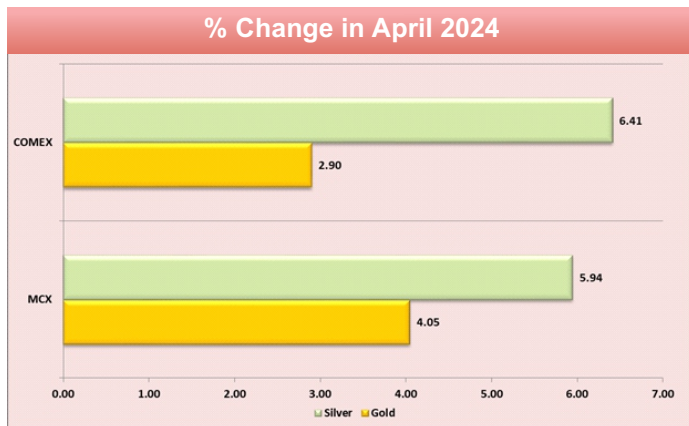
The World Gold Council's Q1 2024 report underscores the resilience and vitality of the gold market. Global gold demand has risen by 3% year-on-year to reach 1,238 tonnes, marking the most robust first quarter performance since 2016. Central banks have continued their steady acquisition of gold, adding 290 tonnes to official global reserves during the quarter.

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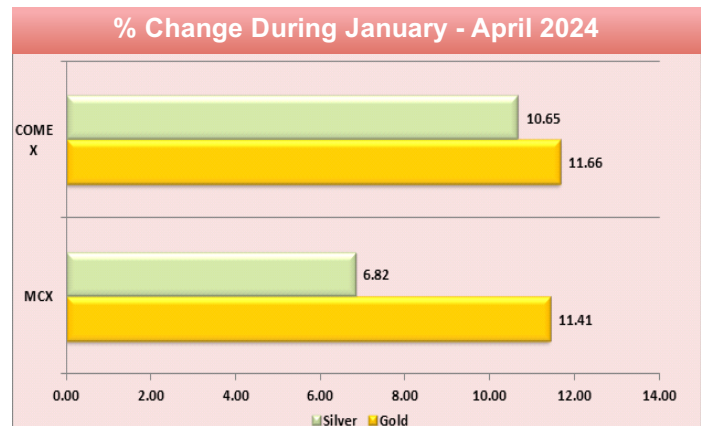


Source: MCXIndia

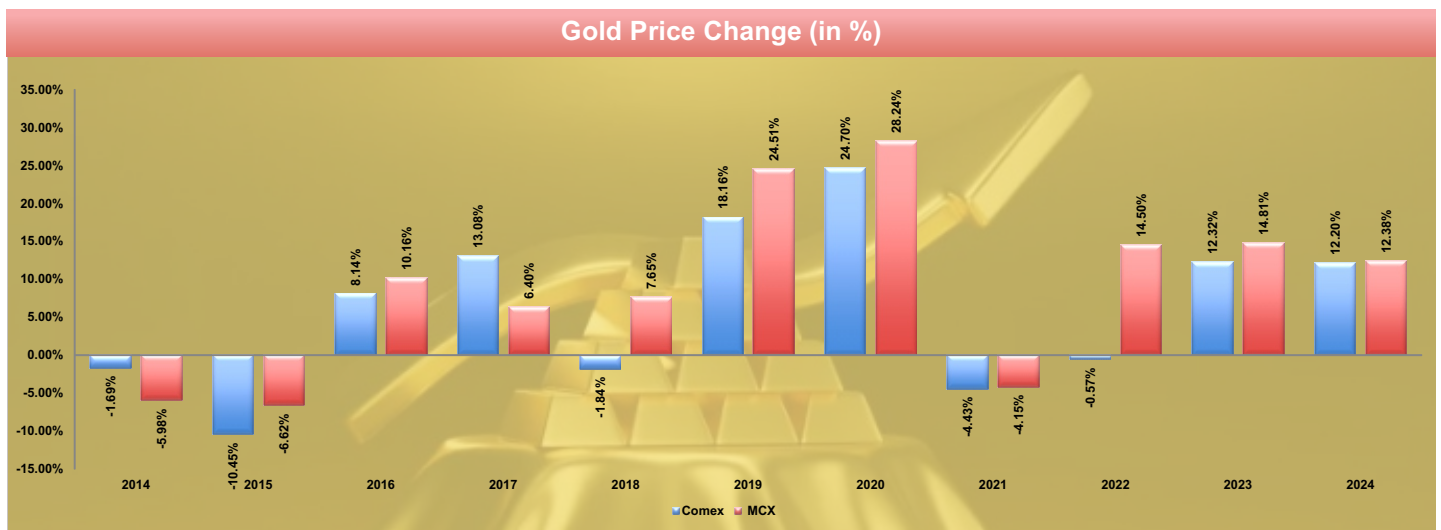
Although there have been outflows in Gold ETFs resulting in a decrease of global holdings by 114 tonnes, bar and coin investment has remained steady, increasing by 3% year-on-year to 312 tonnes, maintaining the momentum from Q4 2023. Despite the record-high prices, global jewelry demand has shown remarkable resilience, experiencing only a marginal 2% decline year-on-year.



Source: Reuters



Source: Reuters



Source: Reuters

Technical Perspective – MCX GOLD

GOLD MONTHLY CHART



Source: Tickerplant

On the monthly chart, Gold is currently trading above the rising channel pattern. The price action has been quite dynamic and reaching a high of 73958, achieved a new milestone at an all-time high. The chart structure appears bullish, and a Doji formation on the monthly chart signals a potential correction on a short-term basis. However, this correction should be viewed as a buying opportunity. RSI is trading above 50 levels and MACD above zero level, which indicates ample room for further upside. Gold has immediate support of around 67850 in the near term.

Currently, prices are sustaining above both the key exponential moving averages of 50 and 100 days, affirming the bullish trend. Considering Fibonacci projections, long-term targets for Gold are set at 80000 levels and subsequently 86500. Buying suggested for long term investors from near support levels.

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