

Gold Weekly Snapshot

November 6, 2023



Gold Prices hold at three-month high as weaker U.S dollar and lower treasury yields boost appeal for the metal.

- ❑ December Gold prices extended rally for fourth straight week closing at \$1,999 per ounce or 0.04%
- ❑ Week on-Week Open Interest increased by 13,181 lots or 1.3 M ounces.
- ❑ Money managers increased their net-long positions for a third straight week by 19,092 contracts to 75K lots (a 3-month high).
- ❑ Gold options are tentatively pricing in a smaller risk of escalation in the Middle East as the metal skew recedes from a 7-month high.

Bulls continue to hold grip for now but may pause around the psychological level of \$2,000, after soaring 8.4% in only 4-week.

Hugo Pascal

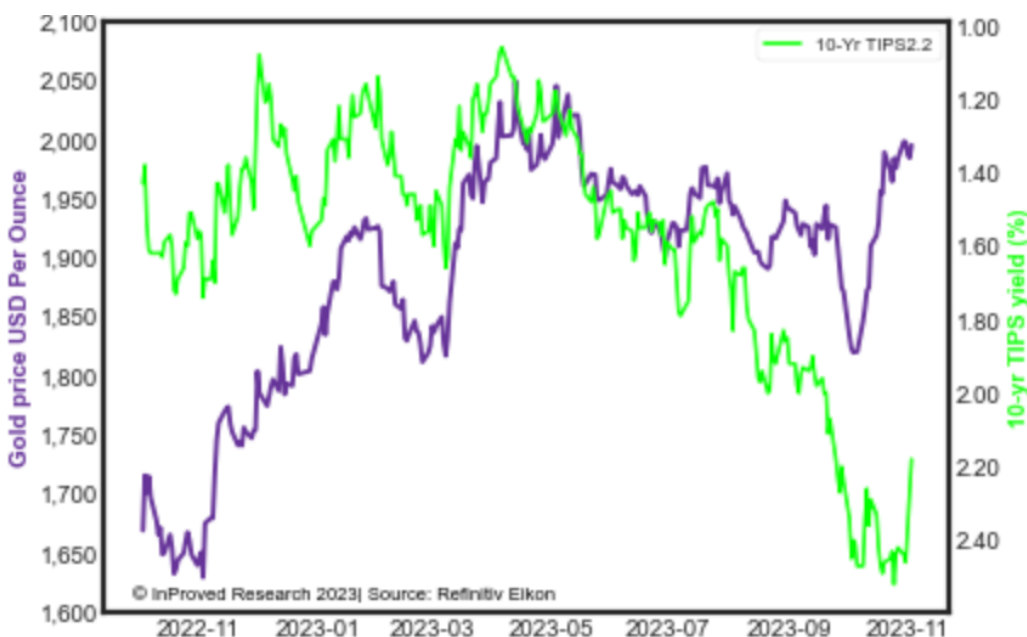
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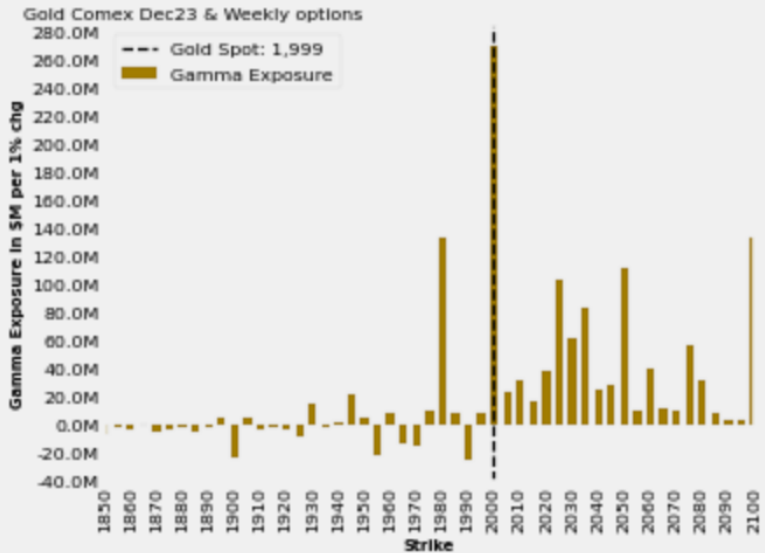
Inverted 10-yr TIPS yield Vs. Gold LBMA-PM



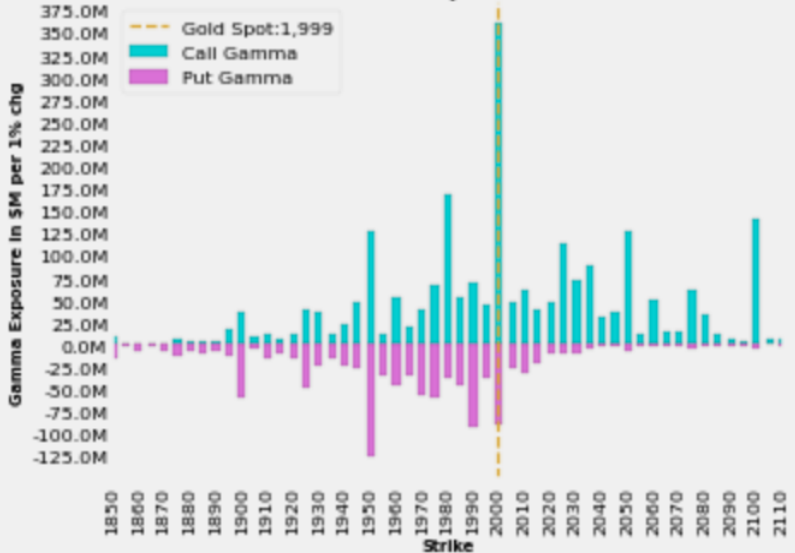
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Derivatives Matter...

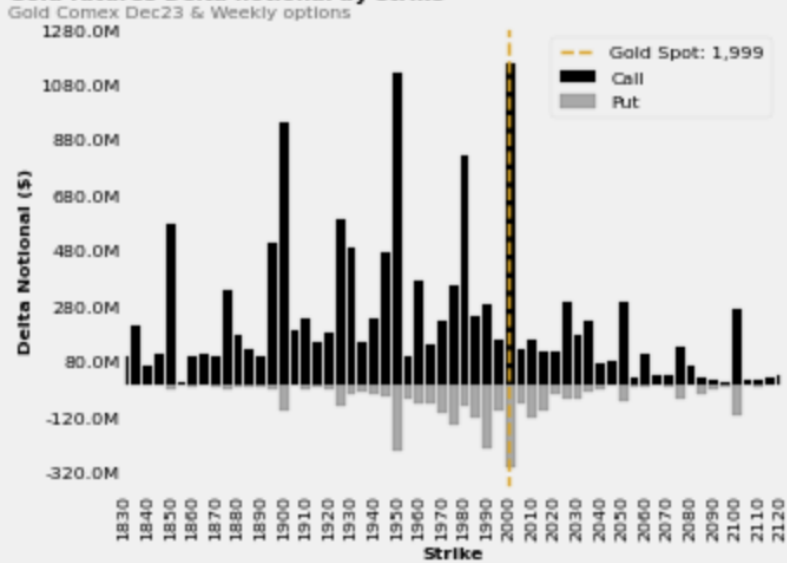
Estimated Gamma: \$1,278,909,458 M per 1% Gold futures move



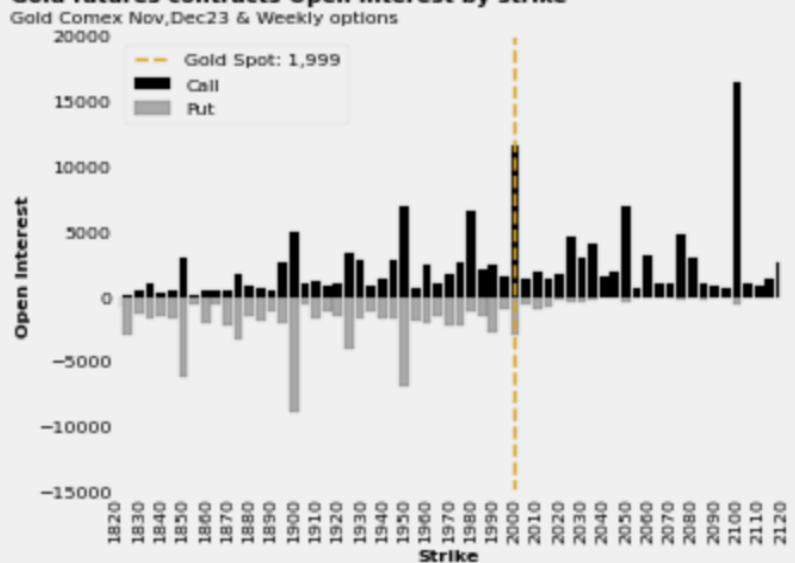
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Gold futures Delta notional by strike



Gold futures contracts Open interest by strike



Traders have been piling up into bullish options this week, increasing their bets on strike 1,980 and 2,000 for the December contract.

- 🎯 Downside targets \$1,985 \$1,970 & 1,950
- 🎯 Upside targets \$2,000 \$2,025 & \$2,050

After hitting a new record in September, averaging US\$79 per ounce, the Shanghai-London gold premium weakened in October averaging US\$46/oz.

