

# Gold Weekly Snapshot

March 11, 2024



## Gold raced to an all-time high, extending its record run this week to finish just shy of \$2,200 level. FOMO, weaker dollar, and yields added fuel to the fire.

- COMEX Gold Apr'24 ended the week higher up 4.3% at \$2,185.5 per ounce, its best week since October 2023.
- Week to-Week Open Interest increased by a stellar 91K lots to 535,353 lots (53m ounces). 28,246 lots were added on Friday only.
- COT report covering the week to March 5<sup>th</sup> shows managed money (funds) hit the BUY button increasing their bullish bets for a fourth consecutive week by 95.6% or 53,610 lots to 109,763 contracts and it doesn't even reflect the last three days buying frenzy (page 2).
- Call wall (highest gamma) increased from \$2,100 to \$2,200 for the Apr'24 contract, which is bullish for the metal.
- Traders have been loading up out of the money (OTM) options bets, judging by the skew. Implied volatility has been increasing for OTM call options, meaning higher demand for calls (page 3).
- A correction might be expected, as gold been flirting with \$2,200 on Friday. Nonetheless the picture remains bullish, with a stellar momentum...

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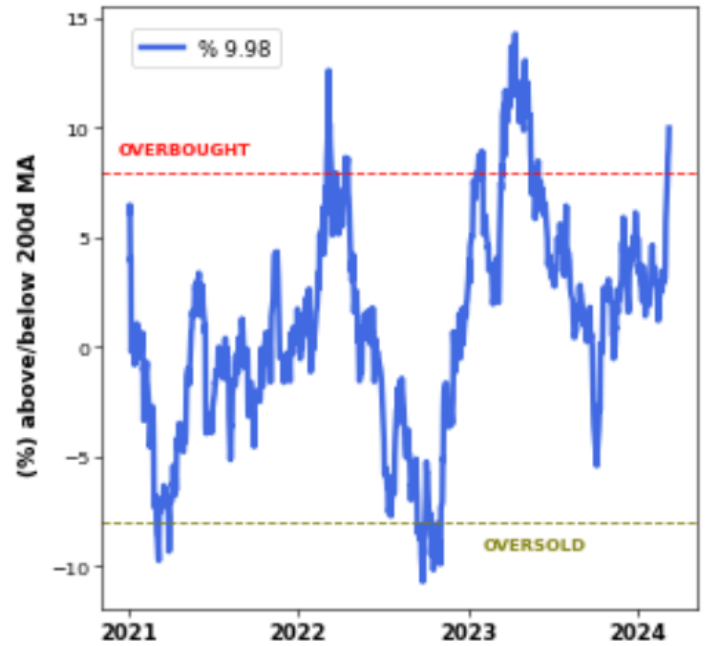
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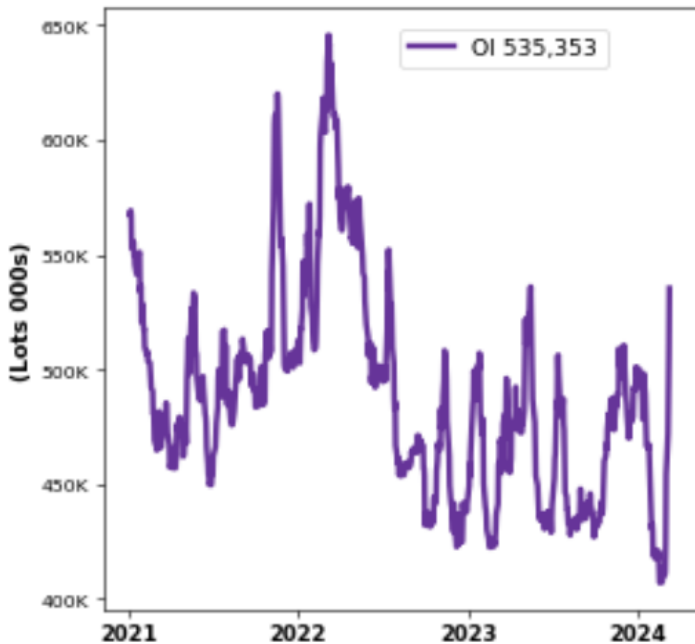
### Gold futures



### How much is Gold above/below 200d MA

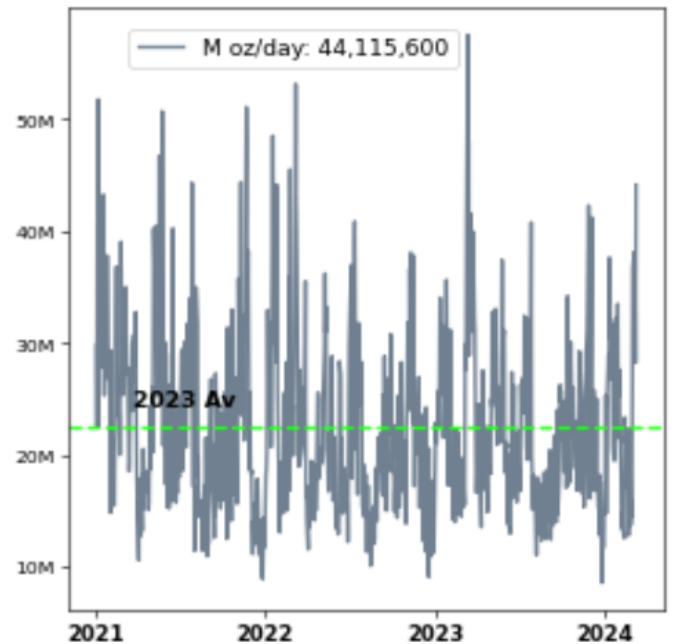


### Open Interest

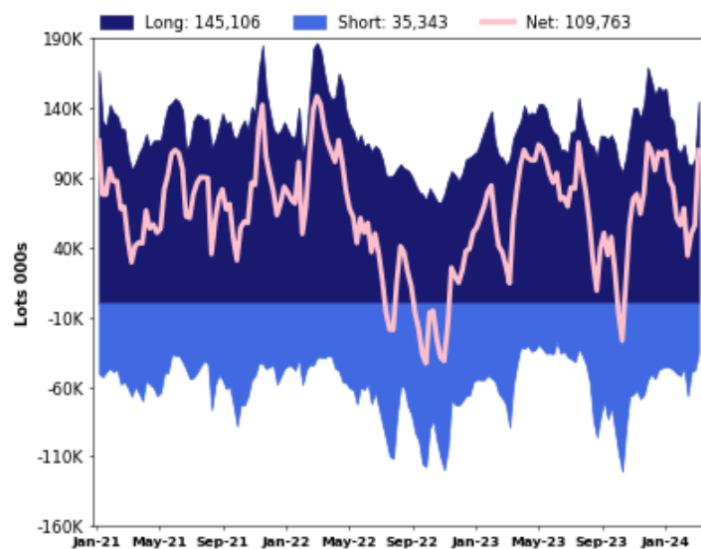


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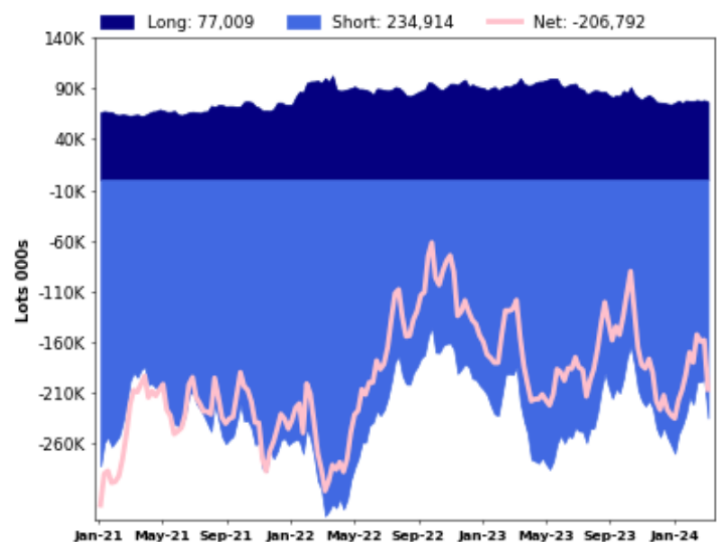
### Equivalent daily traded volume in oz



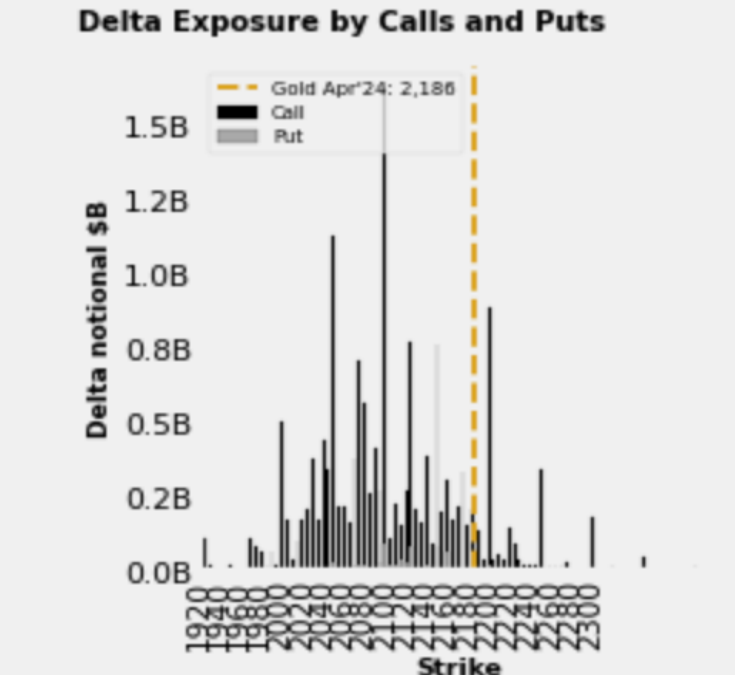
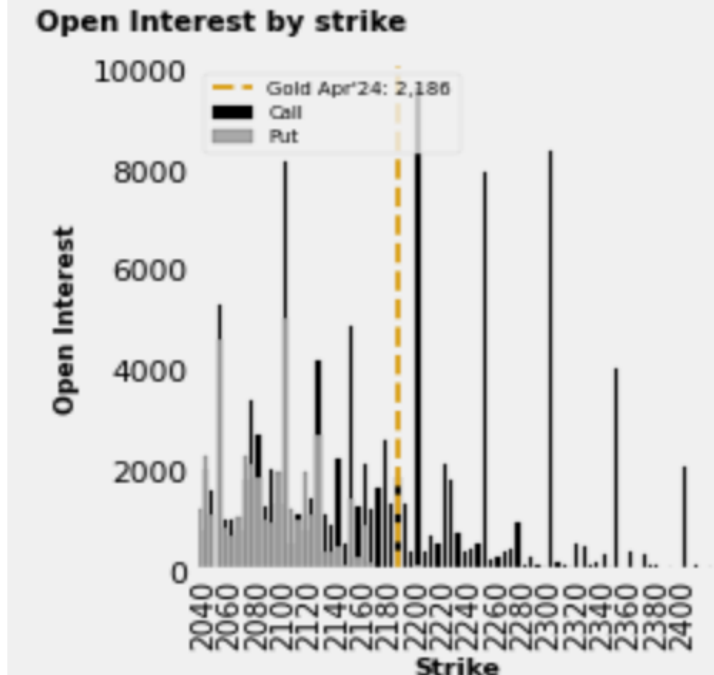
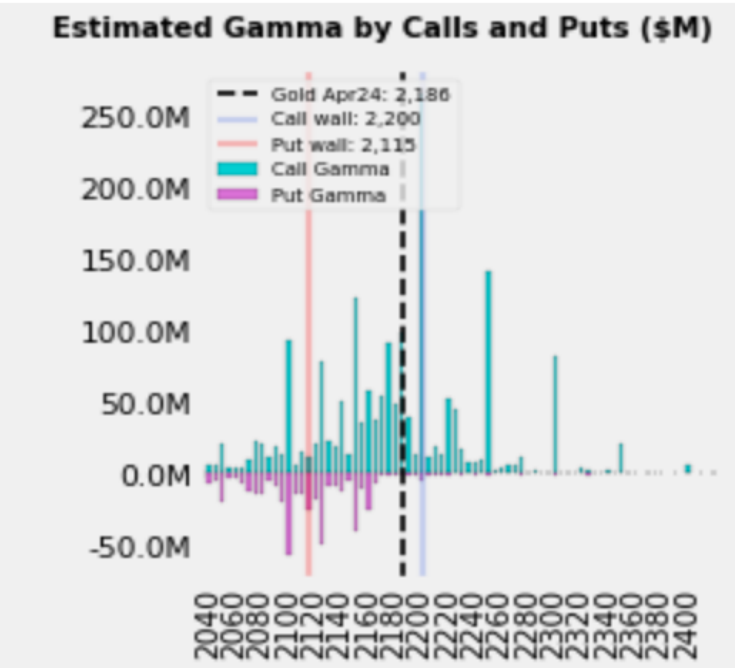
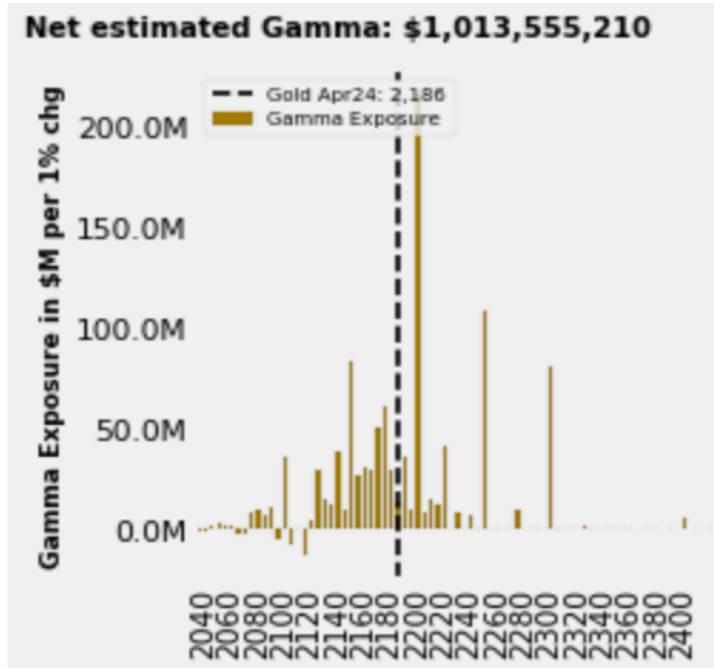
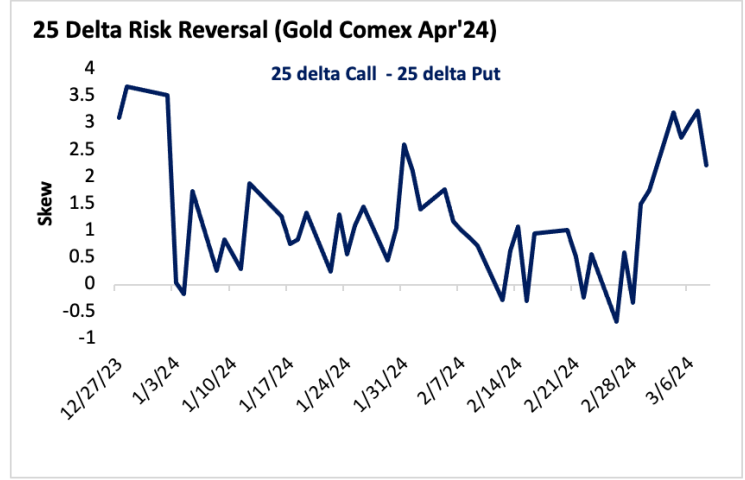
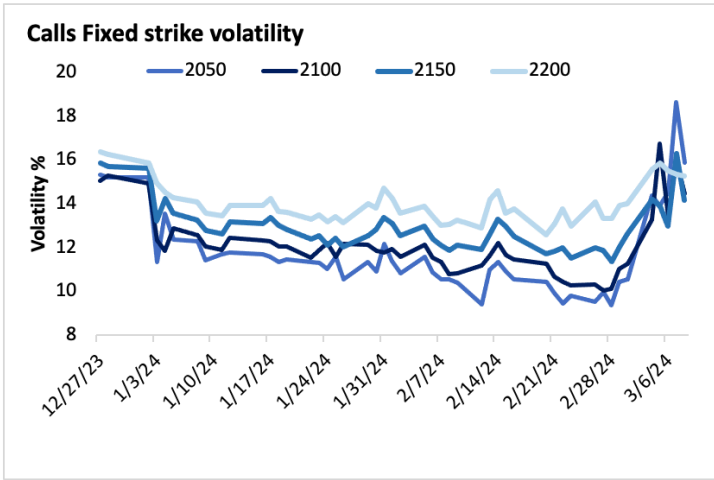
### Gold futures managed money



### Gold futures Swap (Banks)



# Derivatives matter



# Will gold hold onto record highs?

Gold should pause ahead of CPI numbers on Tuesday. We saw a bit of profit taking after the metal briefly touched \$2,200 (Apr'24) on Friday, a major resistance (call wall and daily max 2 SD expected move) (see chart 1)

CPI data will add some volatility to the metal, as an higher-than-expected number could trigger a correction. (higher for longer rates). On the other side, a weaker number might bid the metal to new highs as more speculators will be joining the party.

The next big level will be \$2,250 per ounce to the upside, \$2100/2125 will be our first warning in case of a correction.

If you want to hedge your downside risk after such a rally, buying a Gold put spread collar might be a good idea. It will protect your profit if the market falls and reduces your losses if it falls even more.

Chart 1: Friday's daily levels:



Chart 2: Comex Apr'24 March 11<sup>th</sup> daily Levels:



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