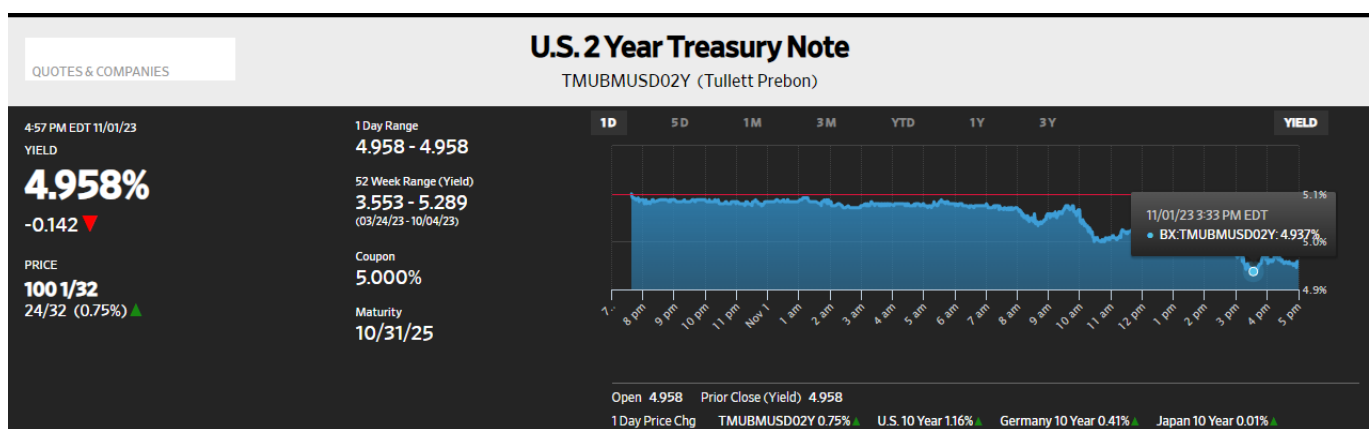


Fed sends doves, Wall Street cheers, Gold bulls return

Good morning Traders,

1, Fed holds with a gentle message

The biggest risk event this week, the FOMC interest rate decision, came to meet market expectations last night. While this was cheered by a sweet rebound in US benchmark indices, the keynote by Fed Chair Powell (and the FOMC statement) showed an additional touch of gentleness.



Treasury yields dropped sharply, the highly rate-sensitive 2Y yields dropped from 5.100% at the open and closed 162bps to finish at 4.938%.

2, Wall Street switch to risk-on

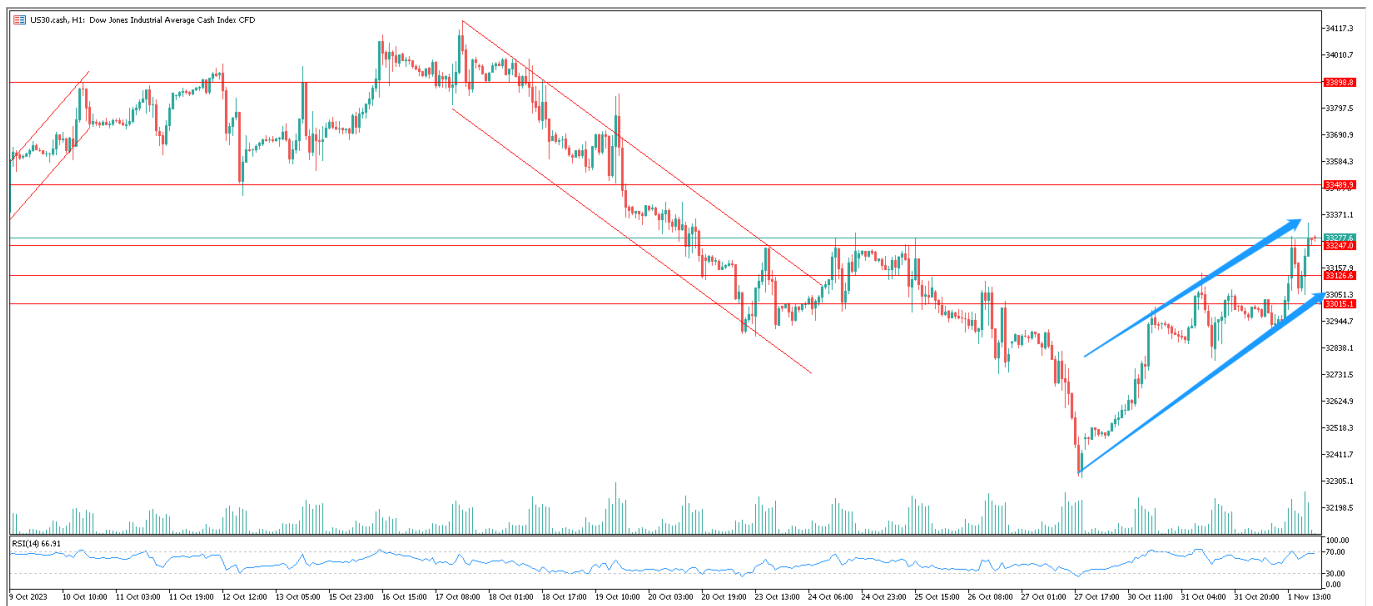
All three benchmark indices jumped on the dovish Fed, the most rate-sensitive Nasdaq 100 led the gains by advancing 1.64% while the more industrial-oriented Dow also moved 0.67% higher.

On the technical front, US30, NAS100 and SPX500 all continued higher along their respective ascending tunnels (if you extend the tunnels from our earlier analyses, you'll see price actions moving firmly higher within these boundaries).

US30

R1: 33,489 R2: 33,898

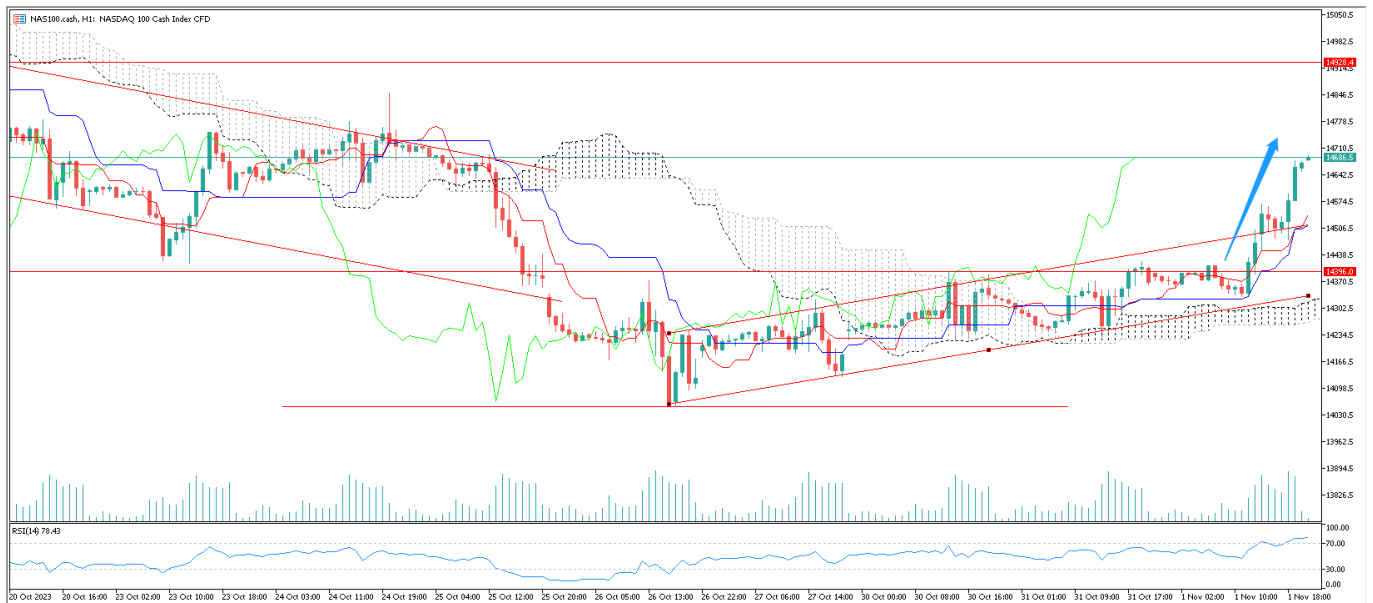
S1: 33,247 S2: 33,126



NAS100

R1: 14,298

S1: 14,049



SPX500

R1: 4,295 R2: 4,325

S1: 4,226 S2: 4,159



3, Cautious Gold battles bears

Gold (XAUUSD) bulls switched to defence mode yesterday as markets cautiously awaited Fed's November decision. The yellow metal dropped below \$1,983 per ounce and kept hovering around \$1,970 (non-support) before dipping to test the \$1,969 support level.

However, with the Fed sending out long-awaited dovish signals and Treasury yields falling sharply, Gold bulls managed to gather forces to restrike the \$1,983 resistance level. Current price actions are showing increasing confidence from the bull side, but have the bears given up already?

XAUUSD

R1: \$1,983 R2: \$1,993 R3: \$2,000

S1: \$1,969 S2: \$1,953 S3: \$1,940



Happy trading and I'll see you all tomorrow evening for our Global Webinar on NFP!

Head of Research and Analysis

Glenn Yin

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