

Price outlook on gold at IGC 2024



Chair: Ms Soni Kumari, Commodity Strategist, ANZ Research

Speakers: Macro / Fundamental Outlook

Ms Joni Teves, Commodity Strategist, UBS,

Technical / Astrological Outlook,

Mr Achal Abhishek, AGM, SBI (Bullion Branch)

Ms Soni Kumari, Commodity Strategist at ANZ

Research, observed that while gold has historically been seen as the "currency of kings," recent price rallies suggest that gold has now become the true "king of currencies." This shift is particularly evident as debts in developed markets continue to soar, and nations show decreasing interest in USD-denominated assets. Gold's debt-free nature makes it increasingly appealing in these uncertain times, serving as a hedge against mounting global debt and geopolitical instability.

Following the inflation shock in 2022, the Federal Reserve implemented its most aggressive monetary tightening in decades. Typically, higher interest rates put downward pressure on gold prices; however, this period proved to be an exception. Central bank purchases, among other factors, contributed to gold not only maintaining its value but also emerging as one of the best-performing asset classes, reaching all-time highs. As we move forward, I look forward to hearing from the panellists who will provide both macro and micro outlooks on gold's future trajectory.



Ms Joni Teves, Precious Metals Strategist at UBS, presented "2024 Gold Outlook: Higher for Longer," predicting a sustained rise in gold prices, supported by strong official sector buying and resilient physical demand. She highlighted central banks in China, Russia, India, Turkey, and Poland as key buyers, with continued room for further purchases due to the need for diversification. Physical demand for gold, particularly in India and China, remains steady, supporting market stability despite high prices. Macroeconomic uncertainty and geopolitical risks, such as concerns over US debt and budget deficits, are expected to increase investor interest in gold. While gold's sensitivity to real interest rates has declined, a shift toward a hawkish Federal Reserve could pose risks. The presentation noted that current investor positioning is not overcrowded, leaving room for further allocations, though it also acknowledged potential risks from policy shifts and geopolitical events.



Mr Achal Abhishek, AGM & Branch Head at SBI's Bullion branch, presented on "Technical and Astrological Based Forecasting of Gold Prices," combining both technical analysis and astrology. He emphasized characteristics of successful traders, like being alert and strategic, and covered key technical analysis concepts, such as candlestick patterns, the VRS system, and trading discipline. His medium-term forecast for gold, based on weekly charts, targets 2828 (SL 2200), while his long-term forecast, based on monthly charts, targets 3200 (SL 2009). The presentation

also delved into astrological methods, including the importance of planetary aspects, which are believed to influence market movements. Specific dates in 2023 and 2024 were highlighted where Federal Reserve decisions might align with planetary influences, potentially causing volatility in gold prices. The session concluded with a quiz encouraging participants to reflect on their trading styles, blending technical and astrological analysis for a unique approach to forecasting gold prices.

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