

# TRADING EDGE

27<sup>th</sup> April 2021

## MCX GOLDMINI JUNE

### Recommendation

Action:  
BUY

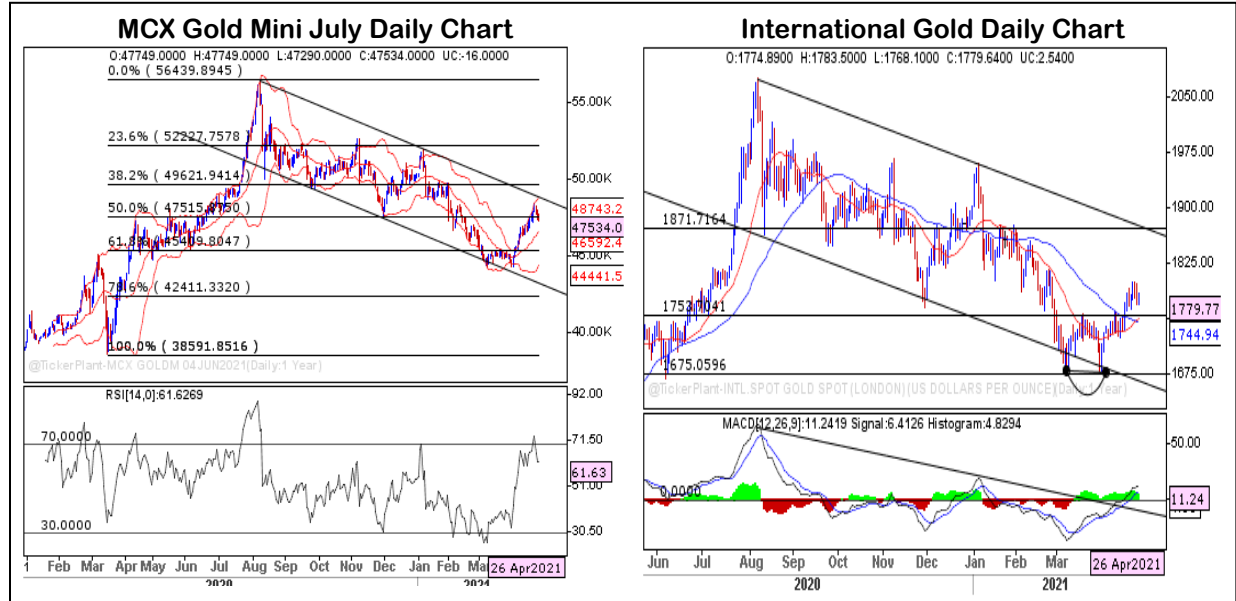
Symbol:  
GOLDMINI JUNE

Entry Point:  
47470

Target:  
50400

Stop loss:  
45600

Risk Reward:  
1: 1.57



- ✓ Bullions are back in action from last few weeks in which MCX Gold has moved higher from the lows of 44108 to the high of near 48429 levels till now. At domestic level prices have gained around 9.79% whereas International Gold prices rose by 7.15% from its March 29, 2021 low. The additional gains at MCX largely attributed to the depreciation of Indian Rupee (INR) against the US Dollar (USD). Broadly speaking, we expect INR depreciation likely to continue in coming weeks which will give further impetus to MCX Gold price in achieving additional gains. Also looking at the overall structure of Gold, we expect this is just the beginning and further gains are on the cards!
- ✓ Gold Spot International daily chart shows that since August 2020 prices were in downward phase in which it corrected from the highs near \$2073 to the lows of \$1677 levels. During the end of March 2021, it found support near the lower band of "Downward Sloping Channel" and formed "Double Bottom pattern" as shown by black color. Post that it has successfully given breakout above the neckline of the pattern. As per this pattern, first target is placed at 1840 levels followed by 1865 - 1870 zone where channel resistance is placed. On downside, 1720-1715 zone likely to act as a support where prior swing area is placed. MACD broke out above downward trendline whereas 20 days has given crossover above 50 days EMA which supports our bullish hypothesis.
- ✓ MCX Gold June daily chart shows that Bollinger Bands have turned on upside after many months which is the sign of trend reversal as well as RSI made new highs in this up move which indicates shift in the range. All together indicates bullish sign for Gold from medium term perspective.
- ✓ In short, technical indicators, trend of international Gold and INR, suggest that MCX Gold can move higher towards 50400 level (1865-1870 for International Spot Gold) thus we recommend buy in this precious metal. Stop loss to be placed at 45600 below which our view will be negated.

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## TEAM

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