

**Time Stamp**

Prices as of 9:45 a.m. EDT (14h45 GMT) 24 September 2020 **\$1,863.50** (Basis the December 2020 Comex Contract).

Direction: Buy

Target Price / Range: \$1,910

Timeframe: 24-09-2020 to 07-10-2020

Gold prices have fallen roughly \$110 in four trading days. This has been part of a broad market sell off that has pushed stocks, precious metals, and other asset prices sharply lower.

The sell-off reflects investor and financial market nervousness about a range of factors that are turning more hostile toward economic and political stability. Included in the list are the following.

- Increases in infections and deaths related to the coronavirus in Europe, the United States, the United Kingdom, and elsewhere.
- Some weaker economic indicators being released in the United States, Europe, and other countries and regions.
- The assumption that the U.S. Congress will not provide any further economic stimulus at least in the next several months.
- U.S. election uncertainty amid indications of potential heightened political violence.
- Other factors such as Brexit, increased U.S. economic, political, and military moves against China, and an array of other factors.

The market adage is: Do not try to catch a falling knife. Wait until it has hit the floor and bounced.

It is not clear how low gold and silver will fall, but CPM had projected that \$1,850 might serve as a base for gold in the September – November period. Given that all of the factors that have led investors to increase their gold purchases remain in place, with some worsening, CPM expects prices to recover. A metal that can fall \$110 in four days can rise back \$110 in four days as well. Gold around \$1,860 appears to be a good area to buy from both a short and long term basis. If prices hold around \$1,850, it would be a good level for investors to buy.

Kind regards

Sam Kiri CFA
Business Development
CPM Group
1 647 405 0214
1 416 995 8142
skiri@cpmgroup.com