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Daily market commentary: Gold has not yet managed to recover

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GOLD

Gold has not yet managed to recover after the \$100 collapse which followed Pfizer's vaccine announcement as investors moved to riskier assets. The bullion price is stagnating at \$1,870 without being able to achieve significant and stable recoveries. The main scenario remains risk on, even if it seems likely that some traders will take home some profits over the next few days with any consolidation on the stock market giving gold a welcome chance to breathe.

Technically the price remains in the main lateral channel between \$1,850 and \$2,070. Gold is trading close to the lower end of that range and a clear break down of this level could open space for further declines. This scenario seems unlikely from a fundamental point of view, while investment demand remains so strong.

