Behavioural Insight

Victory Markets - Weekly Strategy Research

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VictoryMarkets

Last Week's Trading Behaviour

A pickup in activity was observed towards the end of last week as participants tried to take advantage of lower XAU prices to establish long positions. This resulted in reasonable quality signals which contributed to a further increase in activity as the move lower gained momentum. More favourable trading conditions are expected in the coming weeks.

Key Macro Catalyst This Week

Once again, the FOMC will meet on Wednesday, but it is hard to see the committee voting to increase interest rates again after the previous hike in September. This will most likely result in a slightly weaker USD post the announcement, where a surprise follow up hike will have a significant effect on XAU prices and it is easy to see a 100$+ move lower instantly should this be the case. While this is not the base case, prudent risk management is advised into the release.

Victory Markets analyses aggregated trading behaviour to identify changes in positioning, risk appetite and crowd concentration. This report is provided for market research purposes and does not constitute investment advice.
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