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- ▲ Gold prices are up somewhat from Friday's lows, presently trading at \$1798, reflecting safe-haven demand in the aftermath of the fast spreading omicron coronavirus in numerous nations. A drop in global financial markets due to pandemic fears is likely to enhance gold demand as a safe haven. Gold prices are also being supported by a dramatic drop in global bond yields.
- ▲ With new cases of the Omicron variant found in the Netherlands, Denmark and Australia, more countries imposed travel restrictions to try to seal themselves off. Meanwhile, the seven-day average of new Covid infections in the United States reached a one-week high of 95,975 on Wednesday. In addition, Germany reported a new Covid infection record of 76,414 on Thursday, and the Czech Republic reported a new infection record of 27,717 on Friday.
- ▲ On economic data front, German Oct import price index rose +3.8% m/m and +21.7%y/y, stronger than expectations of +1.9% m/m and +19.6% y/y and the fastest pace of increase in more than 41 years. Meanwhile Japan's retail sales rose for the first time in three months in October less than expected. Retail sales rose 0.9% in October from a year earlier, government data showed on Monday, versus the median market forecast for a 1.1% increase. It followed an upwardly revised 0.5% drop in September.
- ▲ Atlanta US Federal Reserve President Raphael Bostic is the latest in a growing number of policymakers to declare he is open to speeding up the central bank's bond-tapering process. Gold prices are negatively affected by the Fed's hawkish stance.

Outlook

- ▲ Gold prices are anticipated to be supported by global worry over the Omicron variant of Covid. While prices are anticipated to remain strong while trading above crucial support around \$1777-\$1758, they are likely to confront stiff resistance at \$1831-\$1876.

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