

# Quick Start to COMEX Gold Futures

Kenanga

Kenanga Futures Sdn Bhd



## 4 Steps To Start Trading COMEX Gold

### Glossary:

**TICK** = Minimum Movement in Points






**GDP** = Gross Domestic Product

Physical gold bullion which forms the underlying asset for the trading of gold futures, has been one of the most popular precious metal commodities. Gold is recognised as precious metal throughout the world and gold prices in different countries have historically stayed closely correlated over time.

COMEX Gold Futures is a physically delivered gold contract that is listed in COMEX. It represents global benchmark futures contract for gold prices and is the most liquid gold futures contract.

Besides financial institutional and retail investors, COMEX Gold Futures are also used by commercial consumers and producers, such as jewelry manufacturers and mining companies, for price hedging purposes.

The top gold producing countries are as follow:

Country	Tonnes
 <b>China</b>	<b>383.2</b>
 <b>Russia</b>	<b>329.5</b>
 <b>Australia</b>	<b>325.1</b>
 <b>United States</b>	<b>200.2</b>
 <b>Canada</b>	<b>182.9</b>

Source: World Gold Council (Production volumes for 2019)

Generally, gold futures prices are traded based on the price movements on the underlying physical gold prices. To know more on gold futures prices and trends, please refer to: <https://bit.ly/374deG4>



## STEP 1 Know The Key Factors That Move Markets

Gold is one of the world's most widely used and produced precious metals, due to the high demand from various industries such as jewelries, industrial and manufacturing applications. In general, gold prices tend to react based on the factors including:


- Economic indicators such as, inflation, non-farm payroll, GDP estimates, and etc.
- U.S. dollar movements
- U.S. Central Bank monetary announcements on interest rate changes
- Uncertainties in the financial markets


For information on the factors driving gold futures, please refer to:


<https://bit.ly/3dnYIQ2>


kenanga



 Kenanga Futures Sdn Bhd 199501024398 (353603-X), Level 6, Kenanga Tower, 237 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

 (603) 2172 3888

 [futuresmarketing@kenanga.com.my](mailto:futuresmarketing@kenanga.com.my)

 [www.kenangafutures.com.my](http://www.kenangafutures.com.my)

STEP 2  
Know The  
Trading  
Strategies  
For COMEX  
Gold

(a) What are the basic “Bullish” or “Bearish” Strategies?

Example:

Bullish View

Note: For COMEX Gold Futures, 1 tick = 0.1 (USD 10)



If you expect an upward gold price movement, the strategy is to **Buy First** and **Sell Later**.

Trade Position:

Open Position

Buy 1 COMEX Gold Futures Contract @ 1800.0

Close Position

Sell 1 COMEX Gold Futures contract @ 1805.0

Price Movement:

1805.0 – 1800.0 = 5.0

5 divided by 0.1 = 50 ticks

Trade

Summary:

Number of contracts	x	Price Movement	x	Price Per Tick
1	x	50	x	USD 10
<b>= USD 500</b> (gross profit)				

Trade Position:

Open Position

Sell 1 COMEX Gold Futures contract @ 1800.0

Close Position

Buy 1 COMEX Gold Futures contract @ 1799.0

Price Movement:

1800.0 – 1799.0 = 1.0

1 divided by 0.1 = 10 ticks

Trade

Summary:

Number of contracts	x	Price Movement	x	Price Per Tick
1	x	10	x	USD 10
<b>= USD 100</b> (gross profit)				

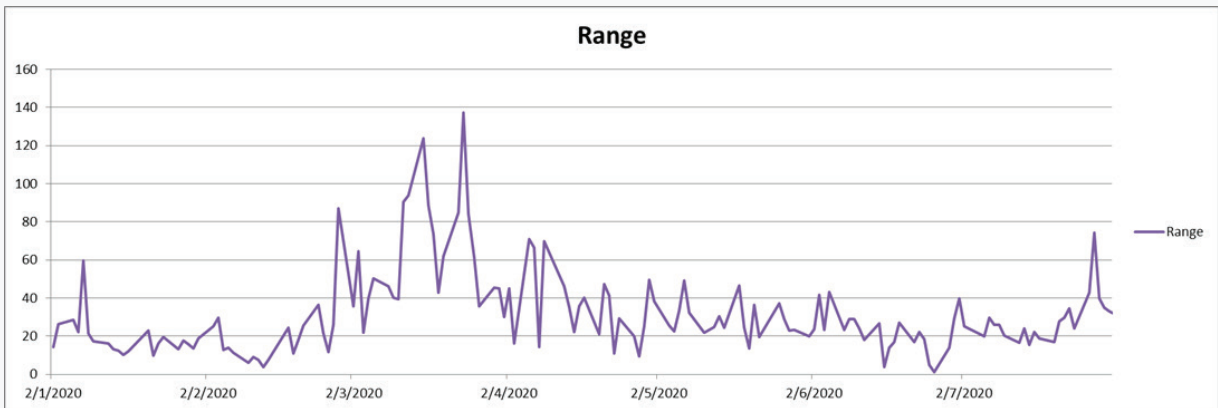


Bearish View

If you expect a downward COMEX Gold Futures price movement, the strategy is to **Sell First** and **Buy Later**.

(b) Trading Range

On average, the daily trading range for COMEX Gold since January – July 2020 is approximately between 30 – 40 points. Prior to trading, it is prudent to be kept abreast on the latest news and developments together with fundamental and technical analysis knowledge. Having a trading view and using technical analysis to identify past market patterns may help in your trading decisions.



Source: Bloomberg

Access to the latest technical and daily research reports from Kenanga Futures at: <https://bit.ly/370R33G>

Once you are ready to trade, just access and trade COMEX Gold via KDF TradeActive™.





## STEP 3

### Plan & Learn



**Have a Trading Plan** and identify the best entry and exit strategies



**Understand the physical market** and factors that can move prices



**Know where to access** and trade COMEX Gold Futures through Kenanga Futures website where you can access Daily Research, Market Report and Educational links

For information on the features of COMEX Gold Futures, please refer to:

<https://bit.ly/3iYdMQ4>

Contact us to learn more on how you can trade COMEX Gold with Kenanga Futures:



**Telephone: +603 2172 3888**



**Customer Services Hotline: 1300 13 3010**



**Visit: [www.kenangafutures.com.my](http://www.kenangafutures.com.my)**

## STEP 4 Contact Us



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