Question:

I have many trades of XAUUSD long at 3600. Now the market is bearish and I am in a big loss 3587. What do you suggest? Do you think the XAUUSD can rise again to 3600 or higher? What is the correct strategy? Waiting or accepting loss? Please analyze technically and fundamentally.

Answer:

In Summary, Technical and Fundamental analysis supports a long term bullish trend for XAUUSD. On the below we start with **market analysis first. Then we prepare some** investment advices.

Technical Analysis:

From the latest market data and chart studies

Current Price Action:

Gold recently hit an all-time high near $3,578.50 and has since pulled back toward the mid-$3,500s. Your entry at $3,600 is just above a key resistance zone.

Support Levels:

$3,546 – $3,522: Near-term dynamic support from the 20-period SMA on the 4-hour chart.

$3,470 – $3,390: Stronger support zones on the daily/weekly charts

Resistance Levels:

$3,580 – $3,600: Heavy resistance; multiple failed attempts to break and hold above this range.

$3,615: Next upside target if $3,600 is broken with conviction

Indicators:

Most moving averages (20, 50, 100, 200) are still in bullish alignment

RSI and Stochastics are in or near overbought territory — suggesting risk of further pullback or sideways consolidation before another leg higher.

MACD remains positive, but momentum has slowed.

Technical takeaway:

The broader trend is still bullish, but in the short term, gold is consolidating and could retest deeper supports before attempting another push to $3,600+.

Fundamental Analysis

Key drivers right now

US Dollar & Fed Policy:

Weak US labor market data has increased expectations of a **Federal Reserve rate cut** in the coming weeks. Lower rates generally support gold prices.

Geopolitical & Economic Risks:

Any flare-up in geopolitical tensions or signs of economic slowdown could boost safe-haven demand for gold.

Profit-Taking after Highs:

The recent pullback is partly due to traders locking in profits after record highs — a normal market behavior.

Inflation & Real Yields:

If inflation expectations remain steady or rise while yields drop, gold could regain upward momentum.

Fundamental takeaway:

The macro backdrop still leans supportive for gold in the medium term, but short-term volatility is likely as markets digest economic data and central bank signals.

Strategic Considerations

You have two main paths:

Hold / Wait for Recovery

If your outlook is medium-to-long term and you believe fundamentals will push gold higher, holding could allow a retest of $3,600 or beyond.

Risk: Price could dip to $3,470 or even $3,390 before recovering, increasing drawdown.

Cut Loss / Re-enter Lower

Closing now limits further downside and gives you capital to re-enter at stronger support levels.

Risk: If gold rebounds quickly, you may miss the move and have to buy back higher.

Balanced Approach (often used by traders):

Reduce part of your position to limit risk, keep a smaller core position for potential upside.

Set clear stop-loss levels below major support (e.g., under $3,470) to protect against a deeper drop.

Watch for a confirmed breakout above $3,580–$3,600 with strong volume before adding back.

Here's a **scenario plan** for XAUUSD over the next 2–4 weeks, combining the technical and fundamental picture we discussed:

Key Levels to Watch

Support Zones:

$3,546 – $3,522 → Near-term support; if this holds, a bounce is likely.

$3,470 → Stronger daily support; a break below could trigger deeper selling.

$3,390 → Major weekly support; losing this would shift the medium-term bias bearish.

Resistance Zones:

$3,580 – $3,600 → Heavy resistance; multiple failed breakouts here.

$3,615 → Next upside target if $3,600 is broken with conviction.

Possible Price Path Scenarios

Scenario 1 – Bullish Recovery

Price holds above **$3,522** and forms higher lows.

Breakout above **$3,580** with strong volume.

Retest and hold **$3,600** → opens path to **$3,615** and potentially new highs.

Trigger: Weak USD, dovish Fed comments, geopolitical risk.

Scenario 2 – Sideways Consolidation

Price oscillates between **$3,522** and **$3,580** for 1–2 weeks.

Traders accumulate positions before a decisive breakout.

Trigger: Mixed economic data, no major catalyst.

Scenario 3 – Bearish Continuation

Price breaks below **$3,522**, then **$3,470**.

Downside target becomes **$3,390** before any significant bounce.

Trigger: Strong USD rally, hawkish Fed, risk-on sentiment in equities.

Risk Management Ideas

If holding longs from $3,600, consider **partial reduction** to limit drawdown.

Keep a **stop-loss** just below $3,470 to protect against a deeper drop.

Watch for **confirmation candles** (daily close above $3,580 for bullish bias).

XAUUSD Long Position Decision Tree

Current Position: Long from $3,600 **Current Price**: ~$3,587

If Price Moves Up

If price closes above $3,580 but below $3,600 → ➞ *Hold* existing position. Watch for momentum and volume. No new buys yet.

If price closes above $3,600 with strong volume → ➞ *Hold* and consider adding **only** if risk is acceptable. ➞ Target: $3,615+ ➞ New stop-loss for all positions: $3,580 (lock in breakout).

If price reaches $3,615 → ➞ Take partial profit (30–50%) to secure gains. ➞ Move stop-loss to $3,600 for remaining position.

If Price Stays Flat

If price stays between $3,522 and $3,580 for more than 3–5 trading days → ➞ Reduce position by 25–50% to free capital. ➞ Wait for breakout confirmation above $3,580 or breakdown below $3,522 before re-entering.

If Price Moves Down

If price closes below $3,522 but above $3,470 → ➞ Cut at least 50% of position to limit drawdown. ➞ Keep remainder only if you can tolerate risk to $3,470.

If price closes below $3,470 → ➞ Exit all positions immediately. ➞ Wait for price to approach $3,390 support before considering re-entry.

If price reaches $3,390 → ➞ Look for bullish reversal signals before buying back in. ➞ Keep stop-loss tight under $3,370.

Risk Management Rules

Never risk more than **1–2% of account equity** on this trade.

Always pre-define stop-loss before entering or adding to a position.

Avoid averaging down unless at a **major support** with clear reversal confirmation.

Strict Trading Advice (Risk-Focused)

- **If you cannot tolerate further drawdown**: Cut at least part of your position now to protect capital. Keep only what you're prepared to see go lower without emotional pressure.
- **If you choose to hold**: Place a **hard stop** just below **$3,470** — if that breaks, the probability of a deeper drop toward $3,390 rises sharply.
- **Do not add to the losing position** unless price closes **above $3,580** with strong momentum — that's your confirmation of renewed bullish control.
- **If price bounces to $3,600**: Decide in advance whether you'll exit at breakeven or hold for $3,615+. Don't improvise in the moment.
- **Position sizing**: Keep risk per trade small enough that even a stop-out doesn't damage your account beyond 1–2% equity.