

Synopsis

Gold (Play the Range)

2nd Resistance	US\$2,015
1st Resistance	US\$2,000
1st Support	US\$1,960
2nd Support	US\$1,940

Silver (Play the Range)

2nd Resistance	US\$29.50
1st Resistance	US\$29.00
1st Support	US\$27.90
2nd Support	US\$27.00

WTI (Play the Range)

2nd Resistance	US\$45.00
1st Resistance	US\$43.70
1st Support	US\$42.30
2nd Support	US\$41.30

EURUSD (Play the Range)

2nd Resistance	US\$1.2070
1st Resistance	US\$1.2000
1st Support	US\$1.1930
2nd Support	US\$1.1860

GBPUSD (Play the Range)

2nd Resistance	US\$1.3530
1st Resistance	US\$1.3460
1st Support	US\$1.3350
2nd Support	US\$1.3250

USDJPY (Play the Range)

2nd Resistance	US\$107.00
1st Resistance	US\$106.50
1st Support	US\$105.50
2nd Support	US\$105.00

DJIA-30 (Play the Range)

2nd Resistance	28,900
1st Resistance	28,600
1st Support	28,300
2nd Support	28,000

S&P-500 (Play the Range)

2nd Resistance	3,600
1st Resistance	3,500
1st Support	3,400
2nd Support	3,300

NSDQ-100 (Play the Range)

2nd Resistance	12,500
1st Resistance	12,300
1st Support	12,000
2nd Support	11,700

Kamal Ahmed

kamal.ahmed@bipsec.com

BIPL Securities Limited

+92 21 111 222 000

REP-039

Gold rises but set for first monthly decline in five

GOLD: Gold prices rose on Monday as the U.S. dollar fell to a two-year low on a dovish policy shift by the U.S. Federal Reserve, although the metal was set for its first monthly decline in five. Spot gold gained 0.2% to \$1,967.68 per ounce by 02:09 p.m. EDT (1809 GMT), after hitting its highest since Aug. 19 at \$1,976.14. For the month, the metal was down 0.3%, having surged to an all-time peak of \$2,072.49 on Aug. 7. U.S. gold futures settled up 0.2% at 1,978.60. Gold has gained about 29% this year, supported by economic uncertainty stemming from the pandemic as well as the upcoming U.S. elections.

CRUDE OIL: Oil prices rose in early trade on Tuesday, reversing overnight losses, as investors shifted to risk assets and out of the safe-haven U.S. dollar, which slid to a more than two-year low. Brent crude futures climbed 27 cents, or 0.6%, to \$45.55 a barrel at 0055 GMT, while U.S. West Texas Intermediate crude futures rose 21 cents, or 0.5%, to \$42.82 a barrel. Ahead of the release of U.S. stockpile data from the American Petroleum Institute industry group, a Reuters poll found analysts expect U.S. crude stocks fell by about 2 million barrels in the week to Aug. 28. Gasoline inventories are seen falling by 3.6 million barrels, while distillate inventories, which include diesel and heating oil, are expected to drop by 1.5 million barrels, six analysts polled by Reuters estimated.

U.S. EQUITIES: Stock futures were flat in overnight trading on Monday after Wall Street notched its fifth consecutive month of gains. Futures on the Dow Jones Industrial Average rose about 20 points. The S&P 500 futures and the Nasdaq 100 futures were both little changed. The S&P 500 and the Dow just wrapped up their best August in more than 30 years. The blue-chip average rallied 7.6% in August for its fifth positive month in a row and its biggest August gain since 1984. The S&P 500 also rose for a fifth month straight, up 7%, clinching its best August since 1986. In a major policy shift, the Federal Reserve announced last week it will allow inflation and employment to run higher than its target before it considers raising interest rates.

U.S. DOLLAR: The dollar languished near multi-year lows against most major currencies on Tuesday as the Federal Reserve's new policy framework continued to fuel bets that U.S. rates will stay lower for longer than other countries. The U.S. data calendar this week is full of important releases on manufacturing, durable goods, and employment, but positive results are unlikely to halt the dollar's decline due to strong expectations that rates will remain extremely low. "The dollar is weak not only against G10 currencies but also against emerging market currencies," said Minoru Uchida, head of global market research at MUFG Bank in Tokyo. (Reuters, CNBC)

01st Sep, 2020

Time	Currency	Impact	Economic Indicator	Forecast	Previous
7:00pm	USD	High	ISM Manufacturing PMI	54.5	54.2

Source: www.forexfactory.com

Refer to important disclosures on page 6

Gold: Key Highlights

DATE	31-Aug
Open	1965.77
High	1976.49
Low	1954.27
Close	1967.20
MA(20)	1969.02
MA(100)	1802.73
MA(200)	1680.26
RSI(14)	55.25

Source: Bloomberg

Silver: Key Highlights

DATE	31-Aug
Open	27.54
High	28.35
Low	27.48
Close	28.12
MA(20)	27.11
MA(100)	19.69
MA(200)	18.23
RSI(14)	62.04

Source: Bloomberg

WTI Spot: Key Highlights

DATE	31-Aug
Open	42.99
High	43.55
Low	42.54
Close	42.80
MA(20)	42.58
MA(100)	35.35
MA(200)	41.80
RSI(14)	56.34

Source: Bloomberg

Gold Spot



Technical Strategy: Play the Range

Gold closed at US\$1,967/oz, below its 20-DMA which is at US\$1,969/oz. However, RSI and Stochastic are neutral in the short term charts and suggest consolidation in the tight range. We recommend playing within the range of US\$1,960/oz - US\$2,000/oz. A break below US\$1,960/oz could target US\$1,940/oz, while a break above US\$2,000/oz could target US\$2,015/oz.

Silver Spot



Technical Strategy: Play the Range

Silver closed at US\$28.12/oz, above its 20-DMA which is at US\$27.11/oz. However, RSI and Stochastic are neutral in the short term chart and suggest range-bound trading or consolidation in the near term. We recommend playing within the range of US\$27.90/oz - US\$29.00/oz. A break below US\$27.90/oz could target US\$27.00/oz, while a break above US\$29.00/oz could target US\$29.50/oz.

WTI Spot (Crude Oil)



Technical Strategy: Play the Range

Oil closed at US\$42.80/bbl, above its 20-DMA which is at US\$42.58/bbl. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of US\$42.30 - US\$43.70. A break below US\$42.30/bbl could target US\$41.30/bbl, while a break above US\$43.70/bbl could target US\$45.00/bbl.



EURUSD: Key Highlights

DATE	31-Aug
Open	1.1897
High	1.1965
Low	1.1883
Close	1.1935
MA(20)	1.1831
MA(100)	1.1300
MA(200)	1.1165
RSI(14)	65.82

Source: Bloomberg

GBPUSD: Key Highlights

DATE	31-Aug
Open	1.3339
High	1.3395
Low	1.3301
Close	1.3367
MA(20)	1.3136
MA(100)	1.2628
MA(200)	1.2717
RSI(14)	69.15

Source: Bloomberg

USDJPY: Key Highlights

DATE	31-Aug
Open	105.42
High	106.09
Low	105.28
Close	105.89
MA(20)	106.03
MA(100)	106.94
MA(200)	107.92
RSI(14)	47.86

Source: Bloomberg

EURUSD



Technical Strategy: Play the Range

EURUSD closed at US\$1.1935 below its 20-DMA which is at US\$1.1831. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of US\$1.1930 - US\$1.2000. A break below US\$1.1930 could target US\$1.1860, while a break above US\$1.2000 could target US\$1.2070.

GBPUSD



Technical Strategy: Play the Range

GBPUSD closed at US\$1.3367 above its 20-DMA which is at US\$1.3136. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of US\$1.3350 - US\$1.3460. A break below US\$1.3350 could target US\$1.3250, while a break above US\$1.3460 could target US\$1.3530.

USDJPY



Technical Strategy: Play the Range

USDJPY closed at US\$105.89 below its 20-DMA which is at US\$106.03. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of US\$105.50 - US\$106.50. A break below US\$105.50 could target US\$105.00, while a break above US\$106.50 could target \$106.00.



DJIA-30: Key Highlights

DATE	31-Aug
Open	28697
High	28803
Low	28360
Close	28413
MA(20)	27878
MA(100)	25846
MA(200)	26279
RSI(14)	68.04

Source: Bloomberg

S&P-500: Key Highlights

DATE	31-Aug
Open	3511
High	3526
Low	3493
Close	3496
MA(20)	3397
MA(100)	3116
MA(200)	3087
RSI(14)	76.15

Source: Bloomberg

NASDAQ-100: Key Highlights

DATE	31-Aug
Open	12007
High	12166
Low	11991
Close	12109
MA(20)	11427
MA(100)	10098
MA(200)	9340
RSI(14)	76.27

Source: Bloomberg

DJIA-30



Technical Strategy: Play the Range

Dow Jones closed at 28,413 above its 20-DMA which is at 27,878. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of 28,300–28,600. A break below 28,300 could target 28,000, while a break above 28,600 could target 28,900.

S&P-500



Technical Strategy: Play the Range

S&P closed at US\$3,496 above its 20-DMA which is at 3,397. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of 3,400 – 3,500. A break below 3,400 could target 3,300, while a break above 3,500 could target 3,550.

NASDAQ-100



Technical Strategy: Play the Range

NASDAQ closed at 12,109 above its 20-DMA which is at 11,427. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of 12,000 – 12,300. A break below 12,000 could target 11,700 while a break above 12,300 could target 12,500.

Glossary of Terms

Relative Strength Index (RSI): The Relative Strength Index (RSI) is a popular oscillator used by traders. The name "Relative Strength Index" is slightly misleading as the RSI does not compare the relative strength of two securities, but rather the internal strength of a single security. A more appropriate name might be "Internal Strength Index."

The RSI is a fairly simple formula, but is difficult to explain without pages of examples.

The Moving Average Convergence/Divergence indicator (MACD): is calculated by subtracting 26-period exponential moving average from 12-period exponential moving average. A 9-period dotted exponential moving average (the "signal line") is automatically displayed on top of the MACD indicator line.

The Stochastic Oscillator: is based on stochastic mathematics. It compares where a security's price closed relative to its trading range over the last x-time periods. The Stochastic Oscillator always ranges between 0% and 100%. A reading of 0% shows that the security's close was the lowest price that the security has traded during the preceding x-time periods. A reading of 100% shows that the security's close was the highest price that the security has traded during the preceding x-time periods. The Stochastic Oscillator indicates an oversold state below 20% and an overbought state above 80%.

Bollinger Bands: is a type of envelope developed by John Bollinger. Bollinger Bands are plotted at standard deviation levels above and below a moving average. The moving average generally taken is a 20-DMA, while the standard deviation count is 2. This is a very good to gauge both the general direction and the volatility.

Disclaimer

This research report is for information purposes only and does not constitute nor is it intended as an offer or solicitation for the purchase or sale of securities or other financial instruments. Neither the information contained in this research report nor any future information made available with the subject matter contained herein will form the basis of any contract. Information and opinions contained herein have been compiled or arrived at by BIPL Securities Limited from publicly available information and sources that BIPL Securities Limited believed to be reliable. Whilst every care has been taken in preparing this research report, no research analyst, director, officer, employee, agent or adviser of any member of BIPL Securities Limited gives or makes any representation, warranty or undertaking, whether express or implied, and accepts no responsibility or liability as to the reliability, accuracy or completeness of the information set out in this research report. Any responsibility or liability for any information contained herein is expressly disclaimed. All information contained herein is subject to change at any time without notice. No member of BIPL Securities Limited has an obligation to update, modify or amend this research report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. Furthermore, past performance is not indicative of future results.

The investments and strategies discussed herein may not be suitable for all investors or any particular class of investor. Investors should make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives when investing. Investors should consult their independent advisors if they have any doubts as to the applicability to their business or investment objectives of the information and the strategies discussed herein. This research report is being furnished to certain persons as permitted by applicable law, and accordingly may not be reproduced or circulated to any other person without the prior written consent of a member of BIPL Securities Limited. This research report may not be relied upon by any retail customers or person to whom this research report may not be provided by law. Unauthorized use or disclosure of this research report is strictly prohibited. Members of BIPL Securities and/or their respective principals, directors, officers, and employees and their families may own, have positions or affect transactions in the securities or financial instruments referred herein or in the investments of any issuers discussed herein, may engage in securities transactions in a manner inconsistent with the research contained in this research report and with respect to securities or financial instruments covered by this research report, may sell to or buy from customers on a principal basis and may serve or act as director, placement agent, advisor or lender, or make a market in, or may have been a manager or a co-manager of the most recent public offering in respect of any investments or issuers of such securities or financial instruments referenced in this research report or may perform any other investment banking or other services for, or solicit investment banking or other business from any company mentioned in this research report. Investing in Pakistan involves a high degree of risk and many persons, physical and legal, may be restricted from dealing in the securities market of Pakistan. Investors should perform their own due diligence before investing. No part of the compensation of the authors of this research report was, is or will be directly or indirectly related to the specific recommendations or views contained in the research report. By accepting this research report, you agree to be bound by the foregoing limitations.

BIPL Securities Limited and / or any of its affiliates, which operate outside Pakistan, do and seek to do business with the company(s) covered in this research document. Investors should consider this research report as only a single factor in making their investment decision. BIPL Securities Limited prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer/company prior to the publication of a research report containing such rating, recommendation or investment thesis. BIPL Securities Limited endeavors to make all reasonable efforts to disseminate its publication to all eligible clients in a timely manner through either physical or electronic distribution such as mail, fax and/or email. Nevertheless, not all clients may receive the material at the same time.

Disclaimers/Disclosures to US Investors

This investment research is distributed in the United States by BIPL Securities Limited (BIPLS), and in certain instances by Enclave Capital LLC (Enclave), a U.S.-registered broker-dealer, only to major U.S. institutional investors, as defined in Rule 15a-6 promulgated under the U.S. Securities Exchange Act of 1934, as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission. This investment research is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research and are not a major U.S. institutional investor, you are instructed not to read, rely on or reproduce the contents hereof, and to destroy this research or return it to BIPLS or to Enclave. The analyst(s) preparing this report are employees of BIPLS who are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to Rule 2711 of the Financial Industry Regulatory Authority (FINRA) or to Regulation AC adopted by the U.S. Securities and Exchange Commission (SEC) which among other things, restrict communications with a subject company, public appearances and personal trading in securities by a research analyst. Any major U.S. institutional investor wishing to effect transactions in any securities referred to herein or options thereon should do so by contacting a representative of Enclave. Enclave is a broker-dealer registered with the SEC and a member of FINRA and the Securities Investor Protection Corporation. Its address is 375 Park Avenue, Suite 2607, New York, NY 10152 and its telephone number is 646-454-8600. BIPLS is not affiliated with Enclave or any other U.S. registered broker-dealer.

Follow us now on

