

# Commodities Market: Technical Outlook

March 25, 2020 

## Strategy

|              | Strategy          | Target Range      | Stoploss              |
|--------------|-------------------|-------------------|-----------------------|
| Gold         | Buy on dips       | \$1,632 - \$1,653 | \$1,584.5 - \$1,584.4 |
| Silver       | Buy on dips       | \$14.32 - \$14.68 | \$13.50 - \$13.48     |
| Crude oil    | Buy above \$25.59 | \$25.59 - \$26.64 | \$23.59 - \$23.55     |
| Dollar Index | Sell on Strength  | 101.57 - 101.28   | 102.60 - 102.61       |

## Support and Resistance

|              | Close      | S2         | S1         | PIVOT      | R1         | R2         |
|--------------|------------|------------|------------|------------|------------|------------|
| Gold         | \$1,625.24 | \$1,529.81 | \$1,577.52 | \$1,604.87 | \$1,652.58 | \$1,679.93 |
| Silver       | \$14.27    | \$12.73    | \$13.50    | \$13.91    | \$14.68    | \$15.09    |
| Crude oil    | \$24.74    | \$22.64    | \$23.69    | \$24.64    | \$25.69    | \$26.64    |
| Dollar Index | 101.82     | 100.73     | 101.28     | 102.09     | 102.64     | 103.45     |

## Technical View

Upward movement continued for gold as it closed at \$1,625, a gain of \$72.94. It has closed above the 50-DMA that will now restrict downside at \$1,584. However, a break above \$1,632 (yesterday's high) will lead to further gain towards \$1,703. The RSI and the MACD are heading up, supporting a positive view. We recommend investors to 'Buy on dips', keeping stoploss below the 50-DMA.

Silver extended the gain to close at \$14.27, up \$1.05. It is expected to target the 14-DMA standing at \$14.66 where a break above will target \$15.27. However, any downside will find support in the range of \$13.50-\$13.91. The RSI and the Stochastic Oscillator have moved up, supporting a positive view. Investors are recommended to 'Buy on dips', keeping stoploss below \$13.50.

Crude oil showed positive movement to close at \$24.74, a gain of \$0.75. Oil is expected to re-test resistance at \$25.59 (yesterday's high) where a break above will kick off the upward correction with \$30.59 as the upside target. However, any downside will find support at yesterday's low of \$23.59. The RSI and the Stochastic Oscillator have shown improvement, suggesting a positive trend ahead. We recommend investors to 'Buy' above \$25.59.

Corrective trend continued for the USD index as it lost 0.92 points to close at 101.82. The index has formed a lower high and lower low that indicates potential further downside. A fall below 101.55 will extend the decline towards 100.38. However, any upside will face resistance in the range of 102.09-102.61. The RSI has moved down and the Stochastic Oscillator has generated a Sell signal, suggesting a negative trend ahead. We recommend investors to 'Sell on Strength', with risk defined above 102.61.

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## Economic Calendar

| Time   | Currency | Impact | Event                               | Forecast | Previous |
|--------|----------|--------|-------------------------------------|----------|----------|
| 2:00pm | CHF      | Low    | Credit Suisse Economic Expectations |          | 7.7      |
| 2:00pm | EUR      | Medium | German Final ifo Business Climate   | 87.9     | 87.7     |
| 2:30pm | GBP      | Low    | HPI y/y                             | 2.7%     | 2.2%     |
| 4:00pm | GBP      | Low    | CBI Realized Sales                  | (15.0)   | 1.0      |
| 5:30pm | USD      | Medium | Core Durable Goods Orders m/m       | -0.4%    | 0.8%     |
| 5:30pm | USD      | Medium | Durable Goods Orders m/m            | -1.0%    | -0.2%    |
| 6:00pm | USD      | Low    | HPI m/m                             | 0.4%     | 0.6%     |
| 7:00pm | CHF      | Low    | SNB Quarterly Bulletin              |          |          |
| 7:00pm | EUR      | Low    | Belgian NBB Business Climate        | (11.2)   | (2.7)    |
| 7:30pm | AUD      | Low    | CB Leading Index m/m                |          | 0.0%     |
| 7:30pm | USD      | Low    | Crude Oil Inventories               | 2.9M     | 2.0M     |

Source: www.forexfactory.com

## News Headlines

### Gold eases as cash rush outweighs U.S. stimulus hopes

Gold prices edged lower in volatile trade on Wednesday as a flight to cash offset growing hopes for a massive U.S. economic stimulus to stem the coronavirus outbreak's economic toll.

### Oil extends gains as optimism over U.S. stimulus lifts global markets

Oil prices extended gains for a third session on Wednesday, rising alongside broader financial markets on hopes Washington will soon approve a massive aid package to stem the economic impact of the coronavirus pandemic.

### Fed's stimulus eases global market fears, gets cash flowing

Investors across a broad range of asset markets breathed a sigh of relief Tuesday, a day after the Federal Reserve rolled out unprecedented measures aimed at boosting liquidity and bolstering investor confidence in the face of a spreading coronavirus pandemic.

### Asian shares track Wall Street surge as U.S. stimulus hopes grow

Asian shares extended their rally on Wednesday in the wake of Wall Street's big gains as U.S. Congress appeared closer to passing a \$2 trillion stimulus package to curb the coronavirus pandemic's economic toll.

### Asia Stocks Rally, U.S. Futures Aided by Congress: Markets Wrap

Stocks in Asia rallied after the best session for U.S. equities in almost a dozen years, and U.S. futures pared losses on news that the White House and Congress reached agreement on a stimulus plan.

Source: Bloomberg & Reuters

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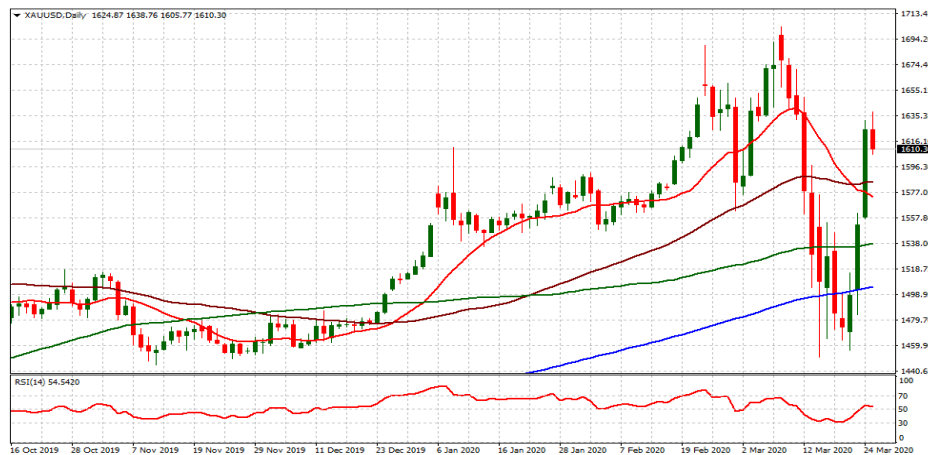
## Gold (US\$/ounce) – Positive

|           | Open       | High       | Low        | Close      | Range   | Change |
|-----------|------------|------------|------------|------------|---------|--------|
| 24-Mar-20 | \$1,558.17 | \$1,632.21 | \$1,557.15 | \$1,625.24 | \$75.06 | 4.7%   |
| 23-Mar-20 | \$1,503.05 | \$1,560.99 | \$1,483.87 | \$1,552.30 | \$77.12 |        |

| Support and Resistance |            |            |            |            |            |
|------------------------|------------|------------|------------|------------|------------|
|                        | S2         | S1         | PIVOT      | R1         | R2         |
| Classic                | \$1,529.81 | \$1,577.52 | \$1,604.87 | \$1,652.58 | \$1,679.93 |
| Fibonacci              | \$1,558.48 | \$1,576.19 | \$1,604.87 | \$1,633.54 | \$1,651.25 |

| Moving Averages |            |            |            |            |            |            |
|-----------------|------------|------------|------------|------------|------------|------------|
|                 | 5-DMA      | 14-DMA     | 30-DMA     | 50-DMA     | 100-DMA    | 200-DMA    |
| 24-Mar-20       | \$1,526.98 | \$1,577.80 | \$1,596.59 | \$1,584.46 | \$1,536.77 | \$1,503.74 |
| Action          | Buy        | Buy        | Buy        | Buy        | Buy        | Buy        |
| Summary         | Buy        | 6          | Sell       | 0          |            |            |

| Indicators |        |         |            |        |          |          |
|------------|--------|---------|------------|--------|----------|----------|
|            | 7-DRSI | 14-DRSI | SO (5,3,3) | MACD   | CCI (14) | ATR (14) |
| 24-Mar-20  | 64.81  | 56.84   | 77.20      | -15.87 | 26.94    | 66.77    |
| 23-Mar-20  | 50.07  | 46.62   | 44.39      | -23.72 | -45.86   | 62.55    |
| Action     | Buy    | Buy     | Buy        | Buy    | Buy      | Buy      |
| Summary    | Buy    | 6       | Sell       | 0      |          |          |



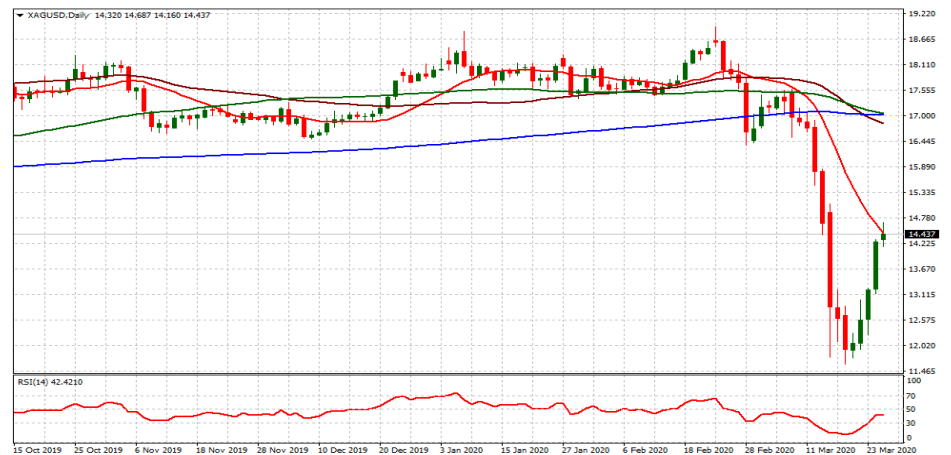
## Silver (US\$/ounce) – Positive

|           | Open    | High    | Low     | Close   | Range  | Change |
|-----------|---------|---------|---------|---------|--------|--------|
| 24-Mar-20 | \$13.24 | \$14.32 | \$13.14 | \$14.27 | \$1.18 | 7.9%   |
| 23-Mar-20 | \$12.59 | \$13.25 | \$12.25 | \$13.22 | \$1.00 |        |

| Support and Resistance |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
|                        | S2      | S1      | PIVOT   | R1      | R2      |
| Classic                | \$12.73 | \$13.50 | \$13.91 | \$14.68 | \$15.09 |
| Fibonacci              | \$13.18 | \$13.46 | \$13.91 | \$14.36 | \$14.64 |

| Moving Averages |         |         |         |         |         |         |
|-----------------|---------|---------|---------|---------|---------|---------|
|                 | 5-DMA   | 14-DMA  | 30-DMA  | 50-DMA  | 100-DMA | 200-DMA |
| 24-Mar-20       | \$12.81 | \$14.66 | \$16.30 | \$16.90 | \$17.09 | \$17.02 |
| Action          | Buy     | Sell    | Sell    | Sell    | Sell    | Sell    |
| Summary         | Buy     | 1       | Sell    | 5       |         |         |

| Indicators |        |         |            |       |          |          |
|------------|--------|---------|------------|-------|----------|----------|
|            | 7-DRSI | 14-DRSI | SO (5,3,3) | MACD  | CCI (14) | ATR (14) |
| 24-Mar-20  | 50.70  | 40.89   | 66.73      | -1.25 | -27.24   | 1.07     |
| 23-Mar-20  | 34.80  | 30.07   | 32.32      | -1.37 | -66.81   | 1.01     |
| Action     | Buy    | Buy     | Buy        | Buy   | Buy      | Buy      |
| Summary    | Buy    | 6       | Sell       | 0     |          |          |



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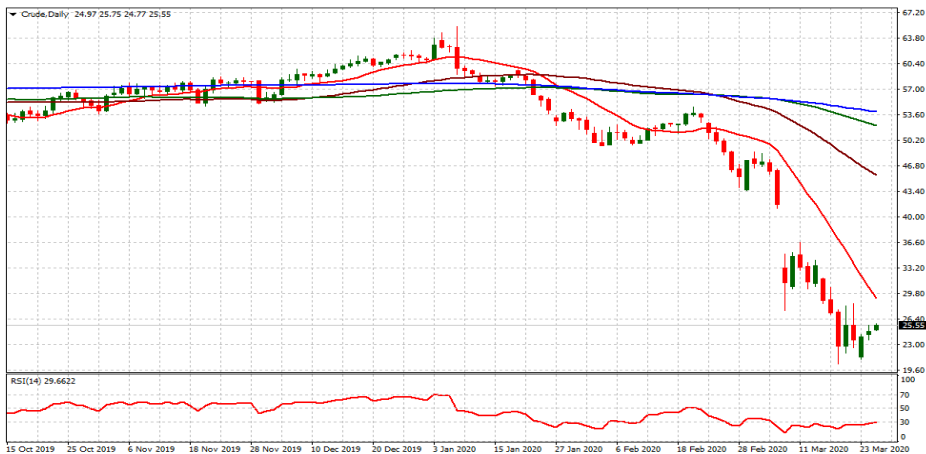
## Crude Oil (US\$/barrel) – Positive

|           | Open    | High    | Low     | Close   | Range  | Change |
|-----------|---------|---------|---------|---------|--------|--------|
| 24-Mar-20 | \$24.31 | \$25.59 | \$23.59 | \$24.74 | \$2.00 | 3.1%   |
| 23-Mar-20 | \$21.33 | \$24.35 | \$21.01 | \$23.99 | \$3.34 |        |

| Support and Resistance |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|
|                        | S2      | S1      | PIVOT   | R1      | R2      |
| Classic                | \$22.64 | \$23.69 | \$24.64 | \$25.69 | \$26.64 |
| Fibonacci              | \$23.40 | \$23.88 | \$24.64 | \$25.40 | \$25.88 |

| Moving Averages |         |         |         |         |         |         |
|-----------------|---------|---------|---------|---------|---------|---------|
|                 | 5-DMA   | 14-DMA  | 30-DMA  | 50-DMA  | 100-DMA | 200-DMA |
| 24-Mar-20       | \$24.12 | \$30.59 | \$41.11 | \$46.17 | \$52.48 | \$54.17 |
| Action          | Buy     | Sell    | Sell    | Sell    | Sell    | Sell    |
| Summary         | Buy     | 1       | Sell    | 5       |         |         |

| Indicators |        |         |            |       |          |          |
|------------|--------|---------|------------|-------|----------|----------|
|            | 7-DRSI | 14-DRSI | SO (5,3,3) | MACD  | CCI (14) | ATR (14) |
| 24-Mar-20  | 30.27  | 27.52   | 37.29      | -7.04 | -78.92   | 5.02     |
| 23-Mar-20  | 26.68  | 25.58   | 33.53      | -7.14 | -103.51  | 5.00     |
| Action     | Buy    | Buy     | Buy        | Buy   | Buy      | Buy      |
| Summary    | Buy    | 6       | Sell       | 0     |          |          |



## Dollar Index – Positive

|           | Open   | High   | Low    | Close  | Range | Change |
|-----------|--------|--------|--------|--------|-------|--------|
| 24-Mar-20 | 102.80 | 102.91 | 101.55 | 101.82 | 1.36  | -0.9%  |
| 23-Mar-20 | 103.17 | 103.96 | 102.30 | 102.74 | 1.66  |        |

| Support and Resistance |        |        |        |        |        |
|------------------------|--------|--------|--------|--------|--------|
|                        | S2     | S1     | PIVOT  | R1     | R2     |
| Classic                | 100.73 | 101.28 | 102.09 | 102.64 | 103.45 |
| Fibonacci              | 101.25 | 101.57 | 102.09 | 102.61 | 102.93 |

| Moving Averages |        |        |        |        |         |         |
|-----------------|--------|--------|--------|--------|---------|---------|
|                 | 5-DMA  | 14-DMA | 30-DMA | 50-DMA | 100-DMA | 200-DMA |
| 24-Mar-20       | 102.51 | 99.05  | 98.87  | 98.42  | 97.92   | 97.74   |
| Action          | Sell   | Buy    | Buy    | Buy    | Buy     | Buy     |
| Summary         | Buy    | 5      | Sell   | 1      |         |         |

| Indicators |        |         |            |      |          |          |
|------------|--------|---------|------------|------|----------|----------|
|            | 7-DRSI | 14-DRSI | SO (5,3,3) | MACD | CCI (14) | ATR (14) |
| 24-Mar-20  | 63.84  | 63.47   | 76.44      | 1.13 | 84.62    | 1.61     |
| 23-Mar-20  | 74.66  | 69.78   | 89.70      | 1.09 | 128.75   | 1.55     |
| Action     | Sell   | Sell    | Sell       | Buy  | Sell     | Buy      |
| Summary    | Buy    | 2       | Sell       | 4    |          |          |

