

# Commodities Market: Technical Outlook

May 15, 2019 

## Strategy

	Strategy	Target Range	Stoploss
Gold	Buy on dips	\$1,298 - \$1,307	\$1,291.4- \$1,291.3
Silver	Buy above \$14.91	\$14.81 - \$14.91	\$14.72- \$14.70
Crude oil	Stay long above 200-DMA	\$61.50 - \$62.92	\$60.44 - \$60.40
Dollar Index	Buy on dips	97.36 - 97.54	97.08 - 97.06

## Support and Resistance

	Close	S2	S1	PIVOT	R1	R2
Gold	\$1,296.66	\$1,288.22	\$1,292.44	\$1,297.79	\$1,302.01	\$1,307.36
Silver	\$14.76	\$14.65	\$14.71	\$14.77	\$14.83	\$14.89
Crude oil	\$61.47	\$60.08	\$60.78	\$61.50	\$62.20	\$62.92
Dollar Index	97.34	96.98	97.16	97.26	97.44	97.54

## Technical View

Gold closed the session lower at \$1,297, a loss of \$3.01. Gold is expected to test support at the 50-DMA standing at \$1,291; where a fall below will resume the downtrend with \$1,283 in sight. However, a break above yesterday's high will extend the gain towards \$1,310, followed by \$1,333. The Stochastic Oscillator and the MACD have moved up, supporting a positive view. We recommend investors to 'Buy on dips', keeping stoploss below the 50-DMA.

Range bound activity continued for silver as it closed at \$14.76, up \$0.03. Silver is currently facing resistance in the range of \$14.81-\$14.91; where a break above is needed to refresh upward momentum. However, a fall below \$14.72 will lead to further decline towards \$14.34. The RSI and the MACD have moved up, suggesting a positive trend ahead. We recommend investors to 'Buy' above \$14.91.

Consolidation continued for crude oil as it closed at \$61.47, up \$0.55. Oil is expected to trade between the 200-DMA and the 14-DMA that stands at \$60.44 and \$62.41, respectively. A break above or below is needed for a directional move. The indicators are mixed, signaling no clear trading view. Investors are recommended to stay 'long' above the 200-DMA.

The USD index extended the gain to close at 97.34, up 0.19 points. The index is expected to test resistance at 97.39 (14-DMA); where a break above will target 97.58. However, any downside will find support at 97.08. The RSI and the Stochastic Oscillator are heading up, supporting a positive view. We recommend investors to 'Buy on dips', keeping stoploss below 97.08.

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## Economic Calendar

Time	Currency	Impact	Event	Forecast	Previous
2:00pm	EUR	Medium	Flash GDP q/q	0.4%	0.4%
5:30pm	CAD	High	CPI m/m	0.4%	0.7%
5:30pm	CAD	Medium	Common CPI y/y	1.8%	1.8%
5:30pm	CAD	Medium	Median CPI y/y	2.0%	2.0%
5:30pm	CAD	Medium	Trimmed CPI y/y	2.1%	2.1%
5:30pm	USD	High	Core Retail Sales m/m	0.7%	1.2%
5:30pm	USD	High	Retail Sales m/m	0.2%	1.6%
6:15pm	USD	Low	Industrial Production m/m	0.0%	-0.1%
6:30pm	USD	Medium	FOMC Member Quarles Speaks		
7:00pm	USD	Low	NAHB Housing Market Index	64.0	63.0
7:30pm	USD	Low	Crude Oil Inventories	0.0M	-4.0M

Source: www.forexfactory.com

## News Headlines

### Gold slips from 1-month peak on Sino-U.S. trade talk hopes

Gold prices edged lower on Wednesday, retreating from a one-month peak hit in the previous session as optimism surrounding trade talks between Washington and Beijing soothed investor concerns, boosting global stocks and the dollar.

### Oil drops on surprise U.S. stockpile rise, but Middle East tensions support

Oil prices fell on Wednesday after data showed a surprise rise in U.S. crude stockpiles and Chinese industrial output for April grew less than expected, but prices were supported by mounting tensions in the Middle East.

### Asia stocks bounce from three-and-a-half month lows as trade fears soften

Asian stocks bounced from a 3-1/2-month low on Wednesday as a slight softening in rhetoric from U.S. President Donald Trump helped ease worries about the U.S.-China tariff war and on expectations Beijing could release more economic stimulus.

### China's Economy Was Losing Steam Even Ahead of Trump's New Tariffs

China's economy lost steam in April, underscoring the fragility of the world's second-largest economy as it girds for an intensified face-off with the U.S. over trade.

### Stocks Edge Up as China Data Spurs Stimulus Hopes: Markets Wrap

Asian stocks traded modestly higher and U.S. equity futures pointed to a gain on expectation Beijing might add economic stimulus after data showed China's economy lost steam in April. The yuan was little changed and the dollar ticked higher.

Source: Bloomberg & Reuters

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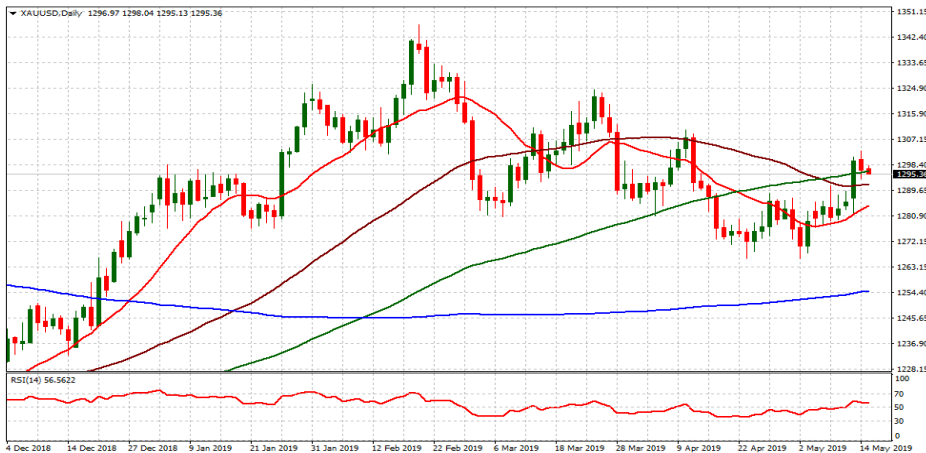
## Gold (US\$/ounce) – Positive

	Open	High	Low	Close	Range	Change
14-May-19	\$1,300.36	\$1,303.14	\$1,293.57	\$1,296.66	\$9.57	-0.2%
13-May-19	\$1,287.09	\$1,301.11	\$1,281.83	\$1,299.67	\$19.28	

Support and Resistance					
	S2	S1	PIVOT	R1	R2
Classic	\$1,288.22	\$1,292.44	\$1,297.79	\$1,302.01	\$1,307.36
Fibonacci	\$1,291.88	\$1,294.13	\$1,297.79	\$1,301.45	\$1,303.70

Moving Averages						
	5-DMA	14-DMA	30-DMA	50-DMA	100-DMA	200-DMA
14-May-19	\$1,289.10	\$1,282.92	\$1,285.09	\$1,291.37	\$1,295.86	\$1,254.59
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)
14-May-19	67.36	57.67	77.65	-0.15	224.63	10.86
13-May-19	73.46	60.19	74.77	-1.23	218.80	10.88
Action	Sell	Sell	Buy	Buy	Buy	Sell
Summary	Buy	3	Sell	3		



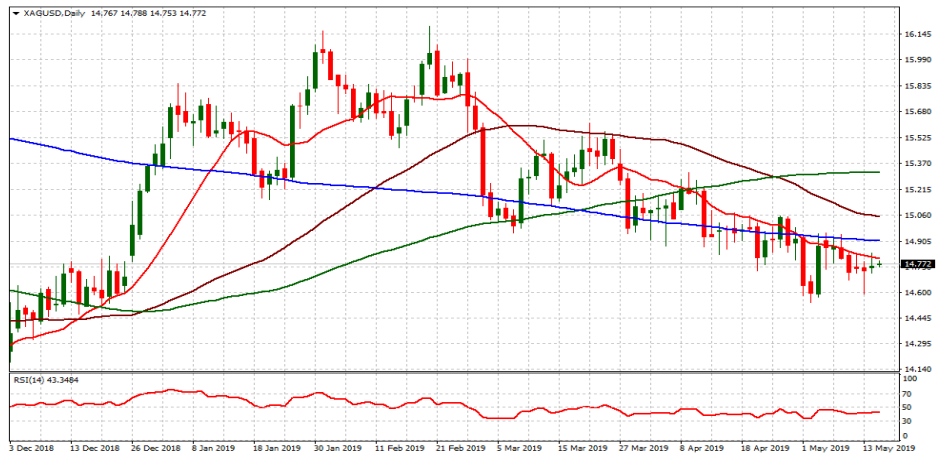
## Silver (US\$/ounce) – Neutral

	Open	High	Low	Close	Range	Change
14-May-19	\$14.75	\$14.84	\$14.72	\$14.76	\$0.12	0.2%
13-May-19	\$14.75	\$14.79	\$14.59	\$14.73	\$0.20	

Support and Resistance					
	S2	S1	PIVOT	R1	R2
Classic	\$14.65	\$14.71	\$14.77	\$14.83	\$14.89
Fibonacci	\$14.70	\$14.73	\$14.77	\$14.82	\$14.85

Moving Averages						
	5-DMA	14-DMA	30-DMA	50-DMA	100-DMA	200-DMA
14-May-19	\$14.75	\$14.81	\$14.93	\$15.06	\$15.32	\$14.91
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)
14-May-19	43.24	42.37	37.29	-0.10	-36.37	0.20
13-May-19	40.03	41.03	34.80	-0.10	-94.09	0.20
Action	Buy	Buy	Buy	Buy	Buy	Sell
Summary	Buy	5	Sell	1		



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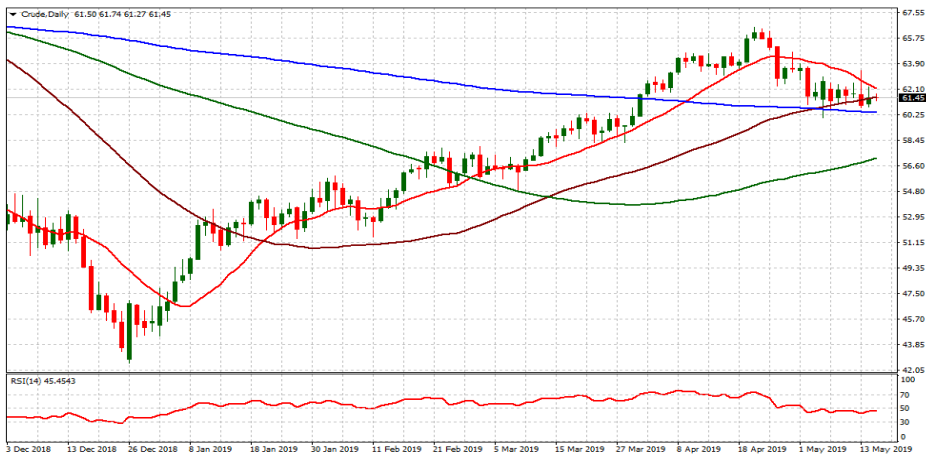
## Crude Oil (US\$/barrel) – Neutral

	Open	High	Low	Close	Range	Change
14-May-19	\$61.01	\$62.23	\$60.81	\$61.47	\$1.42	0.9%
13-May-19	\$61.71	\$63.42	\$60.75	\$60.92	\$2.67	

Support and Resistance					
	S2	S1	PIVOT	R1	R2
Classic	\$60.08	\$60.78	\$61.50	\$62.20	\$62.92
Fibonacci	\$60.63	\$60.96	\$61.50	\$62.05	\$62.38

Moving Averages						
	5-DMA	14-DMA	30-DMA	50-DMA	100-DMA	200-DMA
14-May-19	\$61.56	\$62.41	\$63.26	\$61.41	\$57.00	\$60.44
Action	Sell	Sell	Sell	Buy	Buy	Buy
Summary	Buy	3	Sell	3		

Indicators						
	7-DRSI	14-DRSI	SO (5,3,3)	MACD	CCI (14)	ATR (14)
14-May-19	41.32	45.56	32.05	-0.17	-70.56	1.75
13-May-19	33.61	42.23	41.15	-0.12	-64.56	1.70
Action	Buy	Buy	Sell	Sell	Sell	Buy
Summary	Buy	3	Sell	3		



## Dollar Index – Positive

	Open	High	Low	Close	Range	Change
14-May-19	97.16	97.36	97.08	97.34	0.28	0.2%
13-May-19	97.07	97.16	96.81	97.15	0.35	

Support and Resistance					
	S2	S1	PIVOT	R1	R2
Classic	96.98	97.16	97.26	97.44	97.54
Fibonacci	97.09	97.15	97.26	97.37	97.43

Moving Averages						
	5-DMA	14-DMA	30-DMA	50-DMA	100-DMA	200-DMA
14-May-19	97.25	97.39	97.11	96.88	96.43	96.09
Action	Buy	Sell	Buy	Buy	Buy	Buy
Summary	Buy	5	Sell	1		

Indicators						
	7-DRSI	14-DRSI	SO (5,3,3)	MACD	CCI (14)	ATR (14)
14-May-19	53.76	54.21	53.03	0.12	-45.98	0.40
13-May-19	43.95	50.36	36.11	0.12	-126.58	0.43
Action	Buy	Buy	Buy	Sell	Buy	Sell
Summary	Buy	4	Sell	2		

