

Arif Habib Commodities

Commodities Currencies and Indices Outlook Report

01/18

2023

CURRENCIES

USD/CAD

The USD/CAD broke below 1.3400 following the release of US manufacturing and Canadian economic data. It printed a fresh daily low at 1.3383. It remains near the lows, with a bearish bias as the Loonie outperforms and the US Dollar falls across the board.

AUD/USD

The Australian Dollar leapt toward yesterday's six-month peak against the US Dollar with China's GDP much better than forecast. Chinese GDP printed at 2.9% year-on-year for the fourth quarter against expectations of 1.6% and 3.9% previously.

USD/CHF

The USD/CHF trims some of its earlier losses/gains in a volatile trading session, spurred by a buoyant US Nonfarm Payrolls report for November, which increased the likelihood that the US Federal Reserve (Fed) will keep increasing borrowing costs.

Market Watch

USD/CAD

Open	1.3399
High	1.3436
Low	1.3394
Close	1.3407

(Prices as of January 17th, 2023)

AUD/USD

Open	0.6967
High	0.6978
Low	0.6930
Close	0.6948

(Prices as of January 17th, 2023)

USD/CHF

Open	0.9210
High	0.9211
Low	0.9201
Close	0.9209

(Prices as of January 17th, 2023)

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CURRENCIES**USD/JPY**

USD/JPY refreshes intraday high around 129.15 as it pierces the neckline of a two-day-old inverse head-and-shoulders (H&S) bullish chart pattern during early Tuesday, retreating to 129.00 by the press time.

EUR/USD

As per the start of the week's analysis, EUR/USD Price Analysis: Bulls have been capped and eyes are on 1.0720, the downside is playing out as the week continues to move along with the price picking up the pace on the offer on Tuesday, helped along by ECB policymakers starting to consider a slower pace of interest-rate hikes.

GBP/USD

The GBP/USD pair is marching higher to recapture the critical resistance of 1.2300 in the early Tokyo session. The Cable has resumed its upside journey after a corrective move to near 1.2247 and is expected to extend gains despite caution in the risk profile.

Market Watch**USD/JPY**

Open	128.32
High	129.15
Low	128.30
Close	128.64

(Prices as of January 17th, 2023)

EUR/USD

Open	1.0830
High	1.0858
Low	1.0807
Close	1.0845

(Prices as of January 17th, 2023)

GBP/USD

Open	1.2211
High	1.2272
Low	1.2170
Close	1.2255

(Prices as of January 17th, 2023)

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CURRENCIES

EUR/GBP

EUR/GBP licks its wounds as markets await the Fed's verdict during early Wednesday in Europe. In doing so, the cross-currency pair snaps a three-day downtrend around 0.8420, bouncing off a fortnight low after posting the biggest daily loss since July 07.

EUR/JPY

Following its major currency counterpart, EUR/JPY fell to trendline support from the March low before rising back above 141.331. With this level helping hold the candle bodies of historical moves, additional selling pressure below 140.770 could open the door for a move back towards the 140.00 psychological level.

GBP/JPY

GBP/JPY is struggling to shift its business above the immediate resistance of 157.00 in the early European session. The cross is facing barricades in escalating its recovery further amid rising chances that the Bank of England (BOE) will face stiff hurdles in achieving price stability.

Market Watch

EUR/GBP

Open	0.8870
High	0.8887
Low	0.8831
Close	0.8850

(Prices as of January 17th, 2023)

EUR/JPY

Open	138.98
High	139.61
Low	138.94
Close	139.55

(Prices as of January 17th, 2023)

GBP/JPY

Open	156.69
High	157.88
Low	156.58
Close	157.69

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Crude Oil

The West Texas Intermediate Crude Oil market has initially dropped a bit down to the 50-Day EMA, and then broke above the neckline of the inverse head and shoulders that I have marked on the chart.

Published on Investing.com, 17/Jan/2023 - 16:26:19 GMT, Powered by TradingView.

Crude Oil WTI Futures, (CFD):CL, 60

MA (9, close, 0)
BB (20, 2)



TECHNICAL

That being the case, the market is likely to see a lot of noisy behavior, but if we can break above the \$82 level, I think that will confirm things for people, and it's likely that the market will go look into the 200-Day EMA.

Market Watch

Open	\$79.05
High	\$81.50
Low	\$78.97
Close	\$81.00

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$79.65
10 DMA	\$77.30
14 DMA	\$77.79
50 DMA	\$77.74

Bollinger Band

Upper Band	\$82.84
Middle Band	\$77.92
Lower Band	\$73.00

Support

Support 1	\$78.58
Support 2	\$78.13

Resistance

Resistance 1	\$79.70
Resistance 2	\$80.37

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GOLD

Gold markets have initially rallied during the trading session on Tuesday but gave back gains as we were at extreme levels.

Published on Investing.com, 17/Jan/2023 - 16:28:18 GMT, Powered by TradingView.

Gold Futures, (CFD):GC, 60

BB (20, 2)
MA (9, close, 0)



TECHNICAL

Quite frankly, at this point I think we are far too overdone and therefore I think a pullback is necessary. That pullback should give us an idea as to whether or not there are buyers underneath to take advantage of value. I think that will be the case, and I'm particularly interested in buying near the \$1850 level, or the \$1875 level. That being said, I may or may not get my price, but I do recognize that it would be "value."

Market Watch

Open	\$1920.85
High	\$1921.75
Low	\$1906.35
Close	\$1910.75

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$1914.39
10 DMA	\$1891.55
14 DMA	\$1857.48
50 DMA	\$1812.09

Bollinger Band

Upper Band	\$1930.22
Middle Band	\$1852.74
Lower Band	\$1775.28

Support

Support 1	\$1912.41
Support 2	\$1904.18

Resistance

Resistance 1	\$1930.31
Resistance 2	\$1939.98

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SILVER

Silver has pulled back during the trading session on Tuesday, as we continue to hang around in the same consolidation range.

Published on Investing.com, 17/Jan/2023 - 16:07:46 GMT, Powered by TradingView.

Silver Futures, (CFD):SI, D

BB (20, 2)
MA (9, close, 0)



TECHNICAL

By doing so, the market looks as if it is going to stay in more of a back-and-forth mode, which makes a lot of sense considering that it had risen so quickly to get to this level. Furthermore, the \$25 level above looms large, and will be difficult to overcome. If we can break above that level, then things get really interesting, but between now and then, we will have to figure out whether or not silver can actually build up the necessary momentum.

Market Watch

Open	\$24.457
High	\$24.527
Low	\$23.977
Close	\$24.078

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$24.297
10 DMA	\$24.049
14 DMA	\$24.038
50 DMA	\$23.195

Bollinger Band

Upper Band	\$24.577
Middle Band	\$24.007
Lower Band	\$23.438

Support

Support 1	\$24.139
Support 2	\$24.824

Resistance

Resistance 1	\$24.717
Resistance 2	\$24.980

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COPPER

Copper — traditionally seen as a leading indicator of economic health — has unsurprisingly had a rough year. But analysts expect a resurgence in 2023, even as the global outlook remains highly uncertain.

Published on Investing.com, 17/Jan/2023 - 16:09:03 GMT, Powered by TradingView.

Copper Futures, (CFD):HG, D

BB (20, 2)
MA (9, close, 0)



TECHNICAL

Some of Wall Street’s biggest banks in recent weeks have suggested a combination of short-term supply tightness and long-term energy transition-related demand will push the red metal north from here.

Market Watch

Open	\$4.143
High	\$4.243
Low	\$4.110
Close	\$4.227

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$4.181
10 DMA	\$4.091
14 DMA	\$3.950
50 DMA	\$3.836

Bollinger Band

Upper Band	\$4.252
Middle Band	\$3.930
Lower Band	\$3.608

Support

Support 1	\$4.117
Support 2	\$4.091

Resistance

Resistance 1	\$4.189
Resistance 2	\$4.236

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NATURAL GAS

Natural gas markets have rallied a bit during the early hours on Tuesday as there is a big storm heading into the Americas that could cause demand to spike.

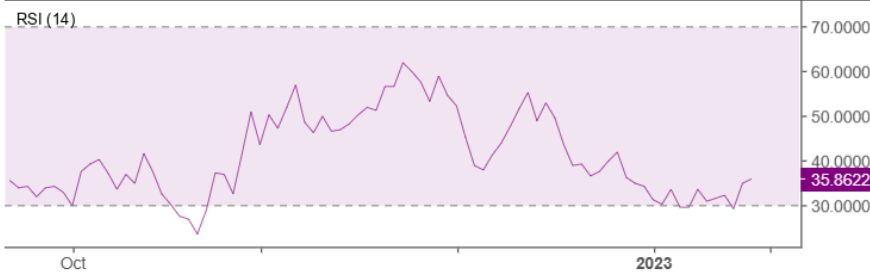
Published on Investing.com, 17/Jan/2023 - 16:10:19 GMT, Powered by TradingView.

Natural Gas Futures, (CFD):NG, D

BB (20, 2)
MA (9, close, 0)



Investing.com



TECHNICAL

Whether or not it lasts is a completely different question, but I would like to see the natural gas market rally quite significantly from here, so that I can take advantage of a huge bounce to start shorting again. Ultimately, the \$4.00 level above could be a significant barrier to overcome, and if we do then we could get a huge short covering rally that I plan on sitting through and taking advantage of as a nice opportunity.

Market Watch

Open	\$3.676
High	\$3.789
Low	\$3.557
Close	\$3.620

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$3.622
10 DMA	\$3.676
14 DMA	\$4.157
50 DMA	\$5.435

Bollinger Band

Upper Band	\$5.445
Middle Band	\$4.238
Lower Band	\$3.031

Support

Support 1	\$3.568
Support 2	\$3.460

Resistance

Resistance 1	\$3.740
Resistance 2	\$3.804

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BRENT OIL

Brent markets initially pulled back a bit during the trading session on Tuesday, testing the 50-Day EMA as well, but also have broken above the neckline from the inverted head and shoulders, and it now looks as if it's on the precipice of breaking out toward the 200-Day EMA.

Published on Investing.com, 17/Jan/2023 - 16:11:50 GMT, Powered by TradingView.

Brent Oil Futures, (CFD):LCO, 60

BB (20, 2)
MA (9, close, 0)



TECHNICAL

The overall “narrative” now revolves around the idea of a soft landing, so therefore people are looking at the idea of demand picking up. That being said, there are a lot of moving pieces right now so we get a sudden “risk off move”, that could put a lot of negativity into the Brent market.

Market Watch

Open	\$84.06
High	\$86.82
Low	\$84.03
Close	\$86.69

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$84.48
10 DMA	\$81.73
14 DMA	\$82.24
50 DMA	\$84.56

Bollinger Band

Upper Band	\$87.17
Middle Band	\$82.24
Lower Band	\$77.31

Support

Support 1	\$83.67
Support 2	\$82.87

Resistance

Resistance 1	\$85.43
Resistance 2	\$86.39

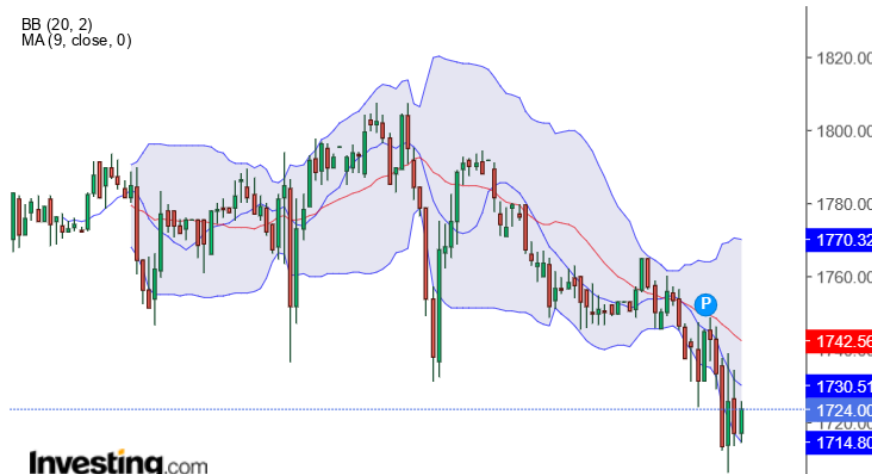
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PALLADIUM

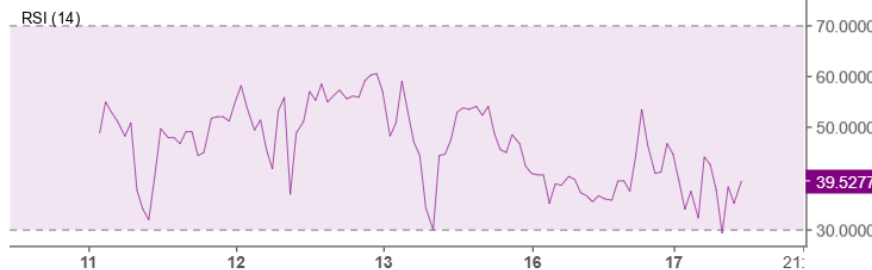
Palladium prices fell on Friday, as the US dollar rose against most of its peers, which weighs down on commodities and metals.

Published on Investing.com, 17/Jan/2023 - 16:14:42 GMT, Powered by TradingView.
Palladium Futures, (CFD):PA, 60

BB (20, 2)
MA (9, close, 0)



Investing.com



TECHNICAL

Investors eschewed risky assets and turned to safe havens amid uncertainty over the global economy and the recovery from the Covid-19 pandemic. US Federal Reserve Chairman Jerome Powell stressed that employment and inflation rates in the US are still far from the Fed's goals.

Market Watch

Open	\$1756.50
High	\$1765.00
Low	\$1706.50
Close	\$1739.00

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$1766.90
10 DMA	\$1770.77
14 DMA	\$1770.48
50 DMA	\$1841.41

Bollinger Band

Upper Band	\$1857.51
Middle Band	\$1764.74
Lower Band	\$1671.96

Support

Support 1	\$1740.99
Support 2	\$1725.73

Resistance

Resistance 1	\$1776.02
Resistance 2	\$1795.79

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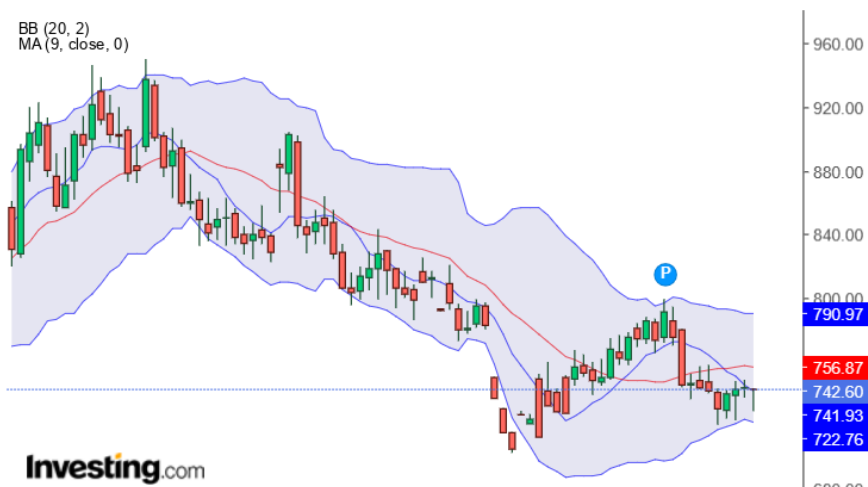
US WHEAT

Argentina, Brazil's neighbor to the south and fellow member of the Mercosur trading bloc, is by far the largest supplier of wheat to Brazil, but its grip on the Brazilian market is far from complete,

Published on Investing.com, 17/Jan/2023 - 16:16:26 GMT, Powered by TradingView.

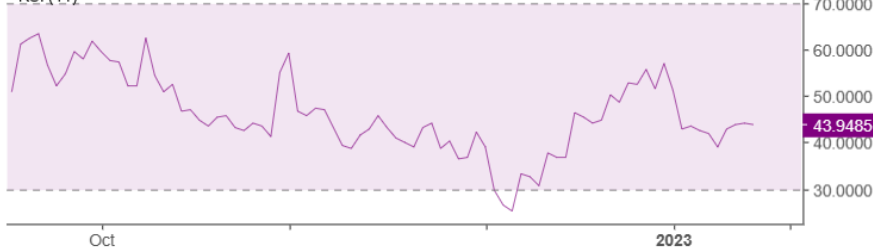
US Wheat Futures, (CFD):ZW, D

BB (20, 2)
MA (9, close, 0)



Investing.com

RSI (14)



TECHNICAL

and the folks at U.S. Wheat Associates are ramping up efforts to take business away from Argentine exporters and other smaller suppliers like Russia.

Market Watch

Open	\$742.62
High	\$755.80
Low	\$728.88
Close	\$748.50

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$738.12
10 DMA	\$744.34
14 DMA	\$756.39
50 DMA	\$771.40

Bollinger Band

Upper Band	\$791.52
Middle Band	\$756.39
Lower Band	\$721.25

Support

Support 1	\$737.84
Support 2	\$731.92

Resistance

Resistance 1	\$749.09
Resistance 2	\$754.42

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US CORN

Corn and soy futures also rose as tightening supplies, particularly of soybeans, and lingering concerns about South American crops amid dry early-season weather supported prices.

Published on Investing.com, 17/Jan/2023 - 16:18:10 GMT, Powered by TradingView.

US Corn Futures, (CFD):ZC, D



TECHNICAL

January soybean futures were up 6 cents at \$11.58-3/4 a bushel, while March corn gained 2 cents to \$4.23-1/4 a bushel. Investors are monitoring South American corn and soy prospects following dry early-season weather in key production areas.

Market Watch

Open	\$671.62
High	\$686.90
Low	\$668.88
Close	\$686.25

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$665.45
10 DMA	\$661.10
14 DMA	\$663.39
50 DMA	\$658.89

Bollinger Band

Upper Band	\$684.97
Middle Band	\$663.38
Lower Band	\$641.79

Support

Support 1	\$670.91
Support 2	\$666.83

Resistance

Resistance 1	\$677.91
Resistance 2	\$680.83

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US SOYBEANS

Soybean and corn futures advanced Friday on continued export demand, primarily from China, with higher soybean oil and palm oil prices also supportive to soybeans.

Published on Investing.com, 17/Jan/2023 - 16:19:13 GMT, Powered by TradingView.

US Soybeans Futures, (CFD):ZS, D

BB (20, 2)
MA (9, close, 0)



TECHNICAL

August soybeans rose 4½¢ to close at \$8.98 a bu. August soybean meal was down \$0.50 at \$286.50 a ton. August soybean oil was 0.65¢ higher at 29.92¢ a lb.

Market Watch

Open	\$1520.12
High	\$1541.00
Low	\$1512.75
Close	\$1539.75

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$1521.95
10 DMA	\$1504.70
14 DMA	\$1496.88
50 DMA	\$1466.30

Bollinger Band

Upper Band	\$1541.40
Middle Band	\$1496.87
Lower Band	\$1452.34

Support

Support 1	\$1530.16
Support 2	\$1522.08

Resistance

Resistance 1	\$1541.16
Resistance 2	\$1544.08

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US COTTON

Cotton prices have risen to their highest level in nearly two years thanks to dry weather that has shrunk the crop and concerns of forced labor in China that have made a big chunk of the nation's fiber output off-limits to clothing makers.

Published on Investing.com, 17/Jan/2023 - 16:21:28 GMT, Powered by TradingView.

US Cotton #2 Futures, (CFD):CT, D



TECHNICAL

The most-active cotton futures contract ended Thursday at over 78 cents a pound, up 55% since prices bottomed on April 1 during the early days of U.S. coronavirus lockdown orders. A lack of rainfall in key growing regions has reduced expectations for the current crop. The International Cotton Advisory Committee last month trimmed its estimates for the global harvest by about 1%. The U.S. Department of Agriculture expects the smallest domestic crop in five years.

Market Watch

Open	\$82.00
High	\$83.40
Low	\$81.65
Close	\$82.29

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$83.21
10 DMA	\$83.41
14 DMA	\$83.96
50 DMA	\$83.73

Bollinger Band

Upper Band	\$87.81
Middle Band	\$83.96
Lower Band	\$80.11

Support

Support 1	\$82.15
Support 2	\$81.65

Resistance

Resistance 1	\$83.52
Resistance 2	\$84.39

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INDICES RESEARCH

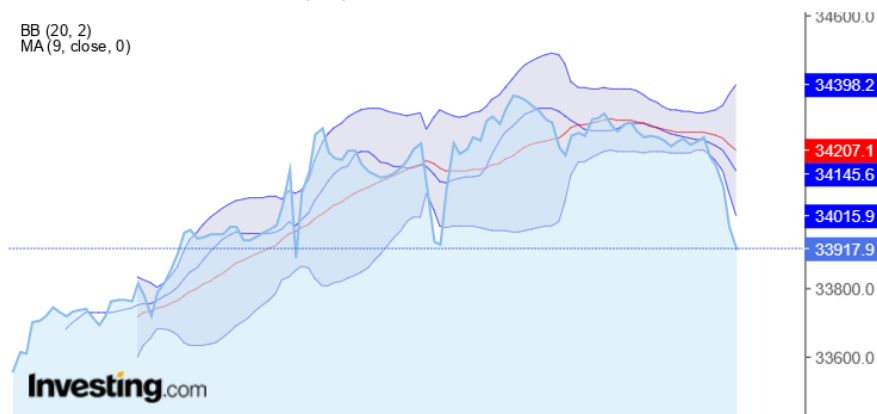
US Equity Industrial Index

The Dow Jones Industrial Average fell on Tuesday as investors struggled to keep building on early 2023 momentum and weighed the latest earnings results.

Published on Investing.com, 17/Jan/2023 - 16:22:59 GMT, Powered by TradingView.

US 30 Cash, United States, USIndexes(CFD):US30, 60

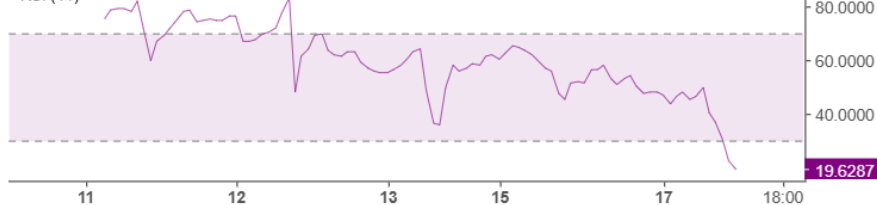
BB (20, 2)
MA (9, close, 0)



Volume (20)



RSI (14)



TECHNICAL

Goldman slid 6.44% after the bank reported its worst earnings miss in a decade for the fourth quarter. Its results were pressured by declines in investment banking and asset management revenues. Meanwhile, rival Morgan Stanley posted better-than-expected numbers, thanks in part to record wealth management revenue. Its shares jumped 5.91%.

Market Watch

Open	\$34287.00
High	\$34310.00
Low	\$33810.70
Close	\$33829.10

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$34183.20
10 DMA	\$33937.00
14 DMA	\$33546.50
50 DMA	\$33675.10

Bollinger Band

Upper Band	\$34331.48
Middle Band	\$33470.42
Lower Band	\$32609.36

Support

Support 1	\$34192.10
Support 2	\$34099.30

Resistance

Resistance 1	\$34376.10
Resistance 2	\$34467.30

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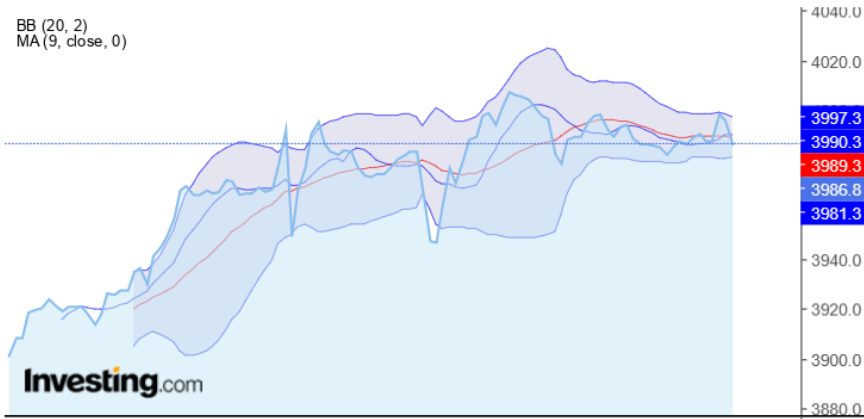
US Equity 500 Index

The S&P 500 E-mini contract went back and forth during trading on Tuesday as traders came back to work from the Martin Luther King Jr. Day holiday in the United States, allowing for normal hours and normal volume.

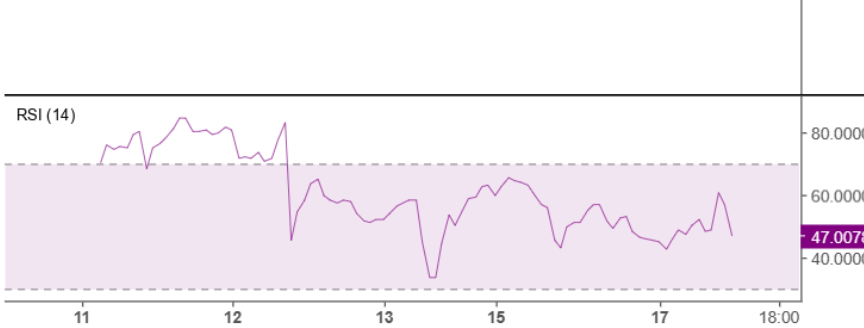
Published on Investing.com, 17/Jan/2023 - 16:24:05 GMT, Powered by TradingView.

US 500 Cash, United States, USIndexes(CFD):US500, 60

BB (20, 2)
MA (9, close, 0)



Volume (20)



TECHNICAL

What's interesting is that the markets did not take off to the upside, and of course we have to worry about the idea of the earnings season kicking off. We are currently dealing with the banks, and some of them have reported absently atrocious earnings.

Market Watch

Open	\$3994.10
High	\$4015.40
Low	\$3978.50
Close	\$3981.20

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$3990.90
10 DMA	\$3952.40
14 DMA	\$3893.90
50 DMA	\$3935.00

Bollinger Band

Upper Band	\$4015.99
Middle Band	\$3884.29
Lower Band	\$3753.65

Support

Support 1	\$3978.30
Support 2	\$3962.60

Resistance

Resistance 1	\$4009.30
Resistance 2	\$4024.60

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US Equity NASDAQ 100 Index

In early trading on Tuesday, shares of Tesla topped the list of the day's best performing components of the Nasdaq 100 index, trading up 4.9%. Year to date, Tesla Inc registers a 4.3% gain.

Published on Investing.com, 17/Jan/2023 - 16:25:06 GMT, Powered by TradingView.
Nasdaq 100 Futures, United States, CME:NQH3, 60



TECHNICAL

And the worst performing Nasdaq 100 component thus far on the day is JD.com, trading down 4.8%. JD.com is showing a gain of 7.9% looking at the year to date performance. Two other components making moves today are Pinduoduo, trading down 3.5%, and Enphase Energy, trading up 3.4% on the day.

Market Watch

Open	\$11585.00
High	\$11684.00
Low	\$11531.50
Close	\$11587.50

(Prices as of January 17th, 2023)

Moving Averages

5 DMA	\$11580.95
10 DMA	\$11378.25
14 DMA	\$11189.46
50 DMA	\$11453.09

Bollinger Band

Upper Band	\$11689.49
Middle Band	\$11177.76
Lower Band	\$10666.13

Support

Support 1	\$11519.75
Support 2	\$11453.25

Resistance

Resistance 1	\$11645.00
Resistance 2	\$11703.75

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TODAY'S ECONOMIC CALENDAR

Date	Time	Currency		Forecast	Previous	
ThuJan 19	12:00am	USD	Beige Book			
		USD	FOMC Member Harker Speaks			
	2:00am	USD	TIC Long-Term Purchases	127.9B	67.8B	
	2:45am	NZD	FPI m/m		0	
	3:00am	USD	FOMC Member Logan Speaks			
	4:50am	JPY	Trade Balance	-1.63T	-1.73T	
	5:00am	AUD	MI Inflation Expectations		0.052	
	5:01am	GBP	RICS House Price Balance	-0.3	-0.25	
	5:30am	AUD	Employment Change	21.2K	64.0K	
			AUD	Unemployment Rate	0.034	0.034
	12:30pm	CHF	PPI m/m	-0.004	-0.005	
	2:00pm	EUR	Current Account		-0.4B	
	Day 4	All	WEF Annual Meetings			
	2:30pm	GBP	BOE Credit Conditions Survey			
	3:30pm	EUR	ECB President Lagarde Speaks ECB Monetary Policy Meeting			
	5:30pm	EUR	Accounts			
	6:30pm	CAD	Wholesale Sales m/m		0.021	
			USD	Philly Fed Manufacturing Index	-11.2	-13.8
			USD	Unemployment Claims	212K	205K
			USD	Building Permits	1.37M	1.34M
			USD	Housing Starts	1.36M	1.43M
	8:30pm	AUD	CB Leading Index m/m		0.004	
			USD	Natural Gas Storage		11B
	9:00pm	USD	Crude Oil Inventories		19.0M	
	11:15pm	USD	FOMC Member Brainard Speaks			