

Commodity Market Outlook

Gold built on overnight strong up-move and surged to over one-month tops, closer to \$1240 level during the Asian session on Tuesday. Against the backdrop of a temporary truce in the US-China trade conflict, a sharp decline in the US bond yields exerted some additional downward pressure on the Dollar and underpinned demand for the dollar-denominated commodity. Gold continues its move up to test its first psychological zone at 1245-1265. Price needs to be watched carefully at this crucial level to know the health of this trend and if it satisfies the market sentiments of weakening dollar optimism then prices will move ahead to 1292 level which is a retracement level of 61.8%(strong psychological level) for the overall trend.

OPEC and its allies are working towards a deal to reduce oil output by at least 1.3mn bpd, four sources said, adding that Russia's resistance to a significant production cut was so far the main stumbling block. President Trump wants to help the world with lower oil prices. Possibly complicating any OPEC decision is the crisis around the killing of journalist Jamal Khashoggi at the Saudi consulate in Istanbul in October. Trump has backed Saudi Crown Prince Mohammed-bin-Salman despite calls from many U.S. politicians to impose stiff sanctions on Riyadh. Russian sources have indicated the country could contribute some 1.4mn bpd to a reduction, but Middle East-dominated OPEC insists Moscow cut by 2.5-3mn bpd.

Fundamental News

- Gold Surges to Over 1-Month Tops, Closer to \$1240 level
- OPEC Works On Deal To Cut Output, Still Needs Russia on Board
- EUR/GBP Exchange Rate Slips On Stronger UK Construction PMI
- EUR/USD Breaks Above 1.1400 On USD Weakness, Brexit Optimism

COMEX

Commodities	Date	Date	% Chg
	03-12-18	04-12-18	
GOLD	1228.25	1238.78	+0.86%
SILVER	14.34	14.54	+1.39%
CRUDE	53.05	54.08	+1.94%
COPPER	2.8123	2.7893	-0.82%

Event Calendar (05th December - 2018, Wednesday)

Time	Currency	Event	Forecast	Previous
06:00	AUD	GDP (QoQ)(Q3)	0.6%	0.9%
14:00	EUR	ECB President Draghi Speaks		
15:00	GBP	Services PMI (Nov)	52.5	52.2
18:45	USD	ADP NF Emp. Change(Nov)	196K	227K
20:30	CAD	BoC Int. Rate Decision	1.75%	1.75%
21:00	USD	Fed Chair Powell Testifies		

COMEX GOLD



Global Commodities & Currencies

Commodities/ Currencies	Close 5 PM	Previous	% Chg
LEAD	1976.75	1990.25	-0.68%
ALUMINIUM	1982.00	1980.75	+0.06%
ZINC	2608.00	2584.25	+0.92%
NATURALGAS	4.446	4.419	+0.61%
PALLADIUM	1226.51	1196.03	+2.55%
PLATINUM	802.47	804.80	-0.29%
GBPUSD	1.2818	1.2723	+0.75%
EURUSD	1.1399	1.1323	+0.67%
USDJPY	112.79	113.56	-0.68%
EURJPY	128.56	128.57	-0.01%
GBPJPY	144.56	144.49	+0.05%
GBPCHF	1.2746	1.2706	+0.31%
USDCHF	0.9945	0.9986	-0.41%
USDCAD	1.3173	1.3196	-0.17%
EURGBP	0.8893	0.8898	-0.06%
CHFJPY	113.41	113.71	-0.26%
EURCHF	1.1337	1.1307	+0.27%
AUDUSD	0.7384	0.7368	+0.22%
EURAUD	1.5436	1.5367	+0.45%
GBPAUD	1.7360	1.7262	+0.57%

OUR PREVIOUS CALLS UPDATE

Intraday super star

Date	Currency	Entry	Exit	P/L
03/12	EURJPY(S)	128.70	128.55	TARGET

Trifid special

Date	Commodity	Entry	Exit	P/L
03/12	CRUDE(L)	53.85	54.15	TARGET

[For our next calls click here.....](#)

GOLD



Gold prices went higher in today's session as it broke its key resistance at \$1230 in the previous session. It may continue this upward movement and may test its next resistance at \$1243 level. Any fall in the prices is likely to be limited as the trend looks strongly bullish.

R1	R2	S1	S2
1243	1252	1236	1230

SILVER



Silver prices extended its gains from the previous session as it moves up along with the gold prices. It is expected to remain at the higher levels and may heads for its next resistance at \$14.68 level. The downside has got protection near \$14.42 level.

R1	R2	S1	S2
14.68	14.80	14.42	14.30

CRUDE



Crude oil prices are continued to move higher as it moves above \$54 level in today's trade. It is likely to move further up in the near term and may break above its resistance at \$54.80 level while any dip in the prices will get good support near \$52.25 level.

R1	R2	S1	S2
54.80	55.90	52.25	50.05

COPPER



Copper prices did not sustain at the higher levels and closed lower in the previous session. It is moving slightly up in the today's session but likely to remains at the lower levels as it lack the strength to move up.

R1	R2	S1	S2
2.8125	2.8375	2.7685	2.7490

GBPUSD



GBPUSD is trading around 1.2800. The pair jumped after the ECJ opined that the UK may revoke Brexit unilaterally. A binding decision is still due. BOE Governor Carney is testifying on Brexit. From a technical perspective, the risk remains tilted to the downside and a sustained breakthrough Oct. monthly lows, around 1.2700-1.2695 region. On the flip side, 1.2875-1.2880 is immediate resistance.

R1	R2	S1	S2
1.2880	1.2920	1.2700	1.2662

USDJPY



The USDJPY pair remained heavily offered through the early European trading session and is now on the verge of breaking below the 113.00 handle. The pair is trapped in a narrowing price range or a symmetrical triangle pattern. Yesterday Doji candle indicates the rally from the Nov.20 low of 112.30 has likely run out of steam at a high of 113.84 hit on Nov.27.

R1	R2	S1	S2
113.20	113.84	112.30	111.80

EURUSD



EURUSD is trading above 1.1400 level, US 10-year bond yields fell below 3%, weighing on the USD. The UK could revoke Article 50 according to an ECJ opinion. Italy will present a new budget to the EU as talks continue. Technically, 1.1435 held the pair down previously in November and serves as another cap. Looking down, 1.1380 was a swing high early in the week.

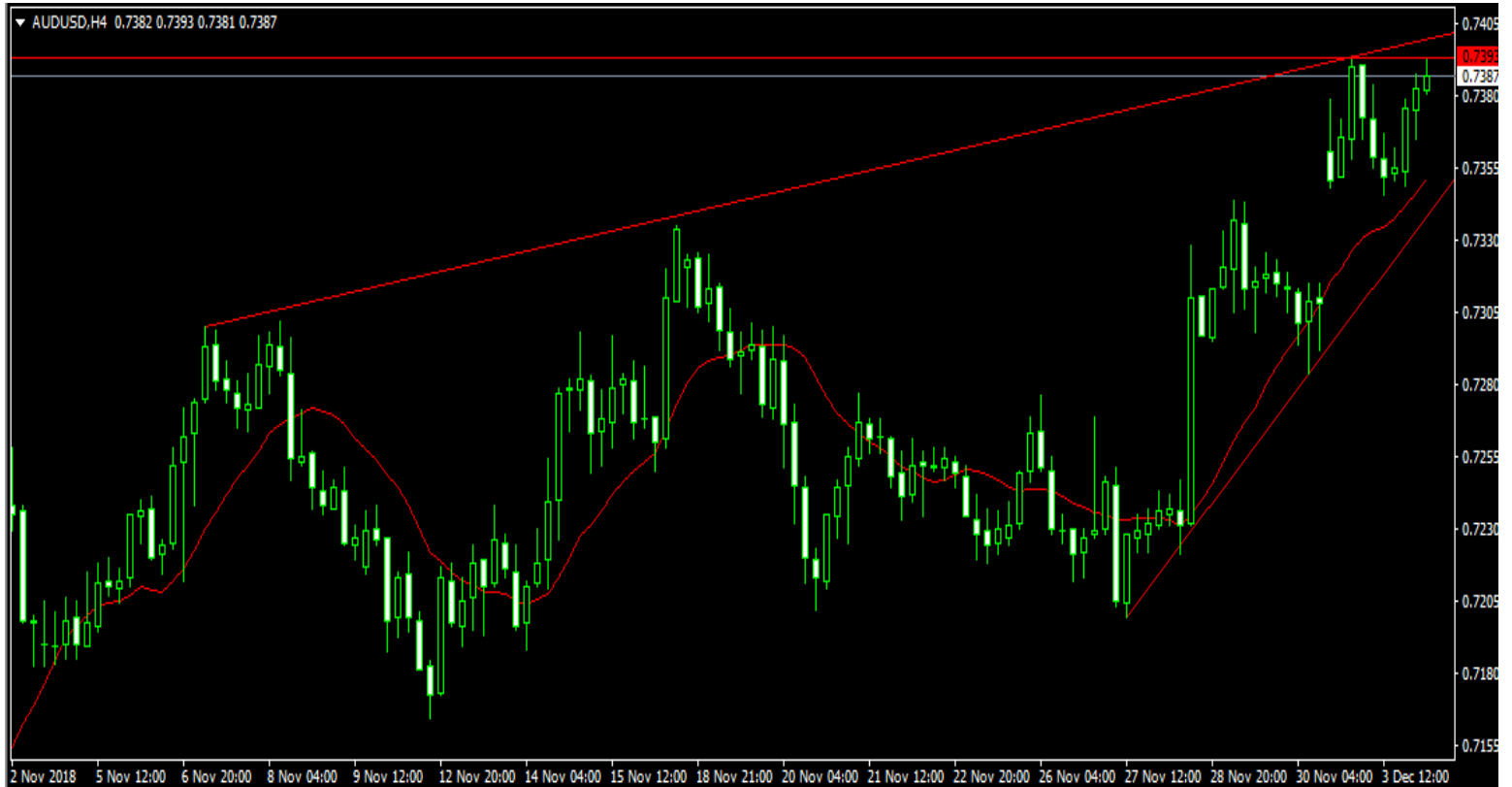
R1	R2	S1	S2
1.1435	1.1500	1.1380	1.1300

USDCHF



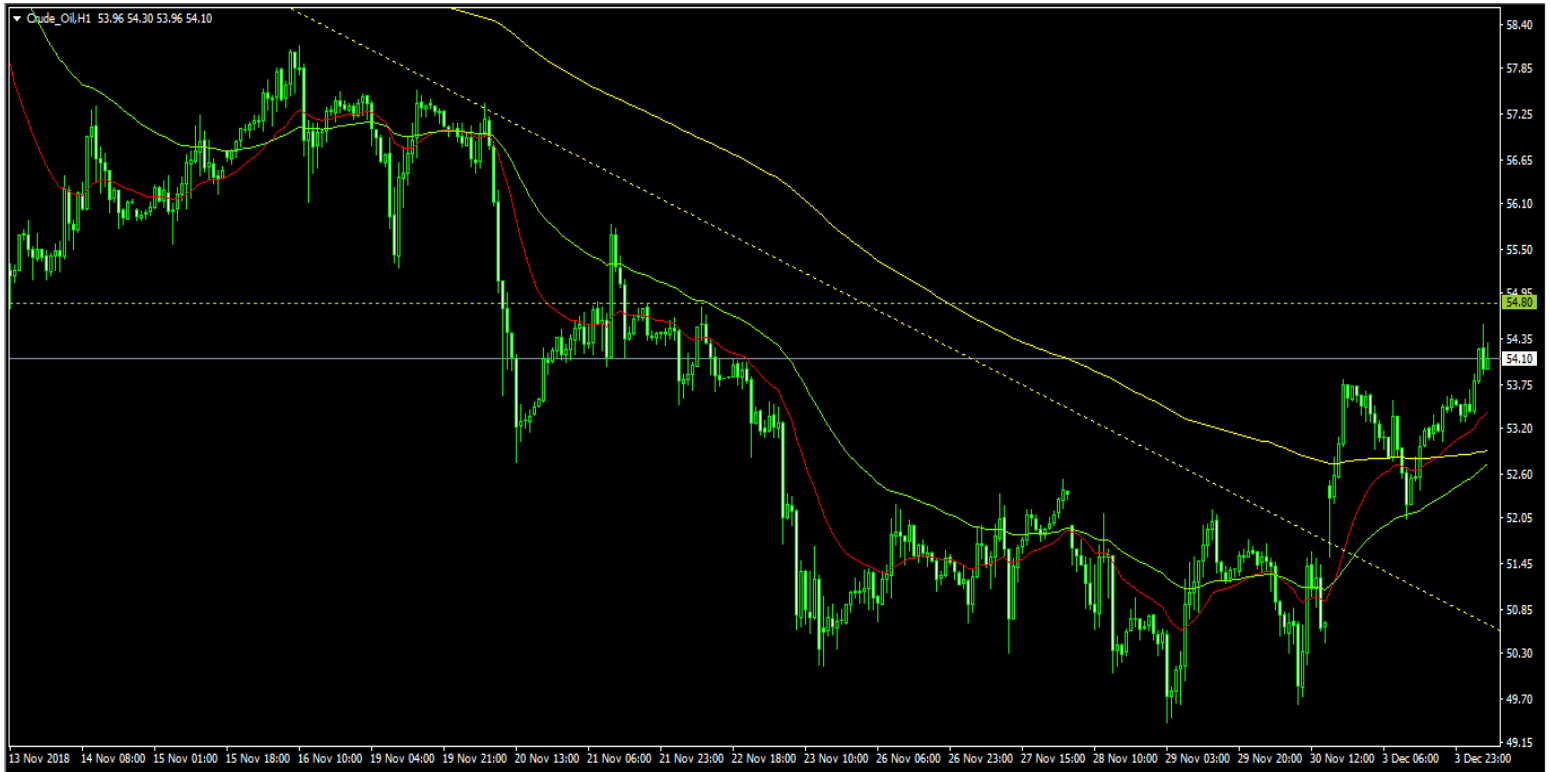
US dollar was particularly weak, so the price was falling here in USDCHF. However, we expected the move down to be limited. We have no directional bias in the pair, but we would be bullish if there is a strong reversal at either of the nearby support levels later, especially at the level of 0.9938. Short entry is below 0.9939 or 0.9918 and long entry is above 1.0008 or 1.0035.

R1	R2	S1	S2
1.0008	1.0035	0.9939	0.9918



AUDUSD seems to be upwards in 4-hours chart. A breakout above 0.7395 is in charts.

BUY ABOVE – 0.7395 TARGET –0.7410/0.7425/0.7440 SL BELOW – 0.7365



Crude oil prices are continued to move higher and if it breaks its resistance at \$54.80 then it may move further up.

BUY ABOVE – 54.80 TARGET – 55.10 SL BELOW – 54.50

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