

Commodity Market Outlook

Gold prices edged higher on Thursday supported by a softer dollar and weakness in the equities market, after the U.S. Federal Reserve delivered a less-dovish outlook on monetary tightening than many had expected. The rate hike announcement has put pressure on gold. U.S. central bank hiked interest rates by 25 basis points on Wednesday. But what took markets by surprise was the Fed's commitment to retain the core of its plan to tighten monetary policy, despite rising uncertainty about global economic growth. Overall there is risk-off sentiment in the market.

Oil prices fell more than 4 percent on Thursday, hitting their lowest in more than a year on worries about oversupply and the outlook for energy demand as a U.S. interest rate rise knocked stock markets. Investors quickly moved their attention to deteriorating fundamentals in the oil markets, including more signs of slowing economic growth next year, record production and the lack of confidence with OPEC's pledge to curb production and the cuts will not happen until next month, and production has been at or near record highs in the United States, Russia and Saudi Arabia.

Fundamental News

- Gold Gains Amid Weaker Dollar, Equities Sell-Off
- Oil Slumps 4% to Lowest In A Year As Stock Markets Sink
- EURUSD Rallies Towards 1.1500 Handle Amid Notable USD Supply
- GBPUSD Price shrug off UK rate decision, Brexit still the main driver

COMEX

Commodities	Date	Date	% Chg
	19-12-18	20-12-18	
GOLD	1247.85	1255.49	+0.61%
SILVER	14.66	14.72	+0.41%
CRUDE	46.74	46.60	-0.30%
COPPER	2.6713	2.6911	+0.74%

Event Calendar (21st December - 2018, Friday)

Time	Currency	Event	Forecast	Previous
15:00	GBP	GDP (YoY) Q3	1.5%	1.5%
Tentative	USD	Fed Chair Powell Testifies		
19:00	USD	Core Durable Goods Orders	0.3%	0.2%
19:00	USD	GDP(QoQ)(Q3)	3.5%	3.5%
19:00	CAD	Core Retail Sales(Oct)	0.2%	0.1%
19:00	CAD	GDP(MoM)(Oct)	0.2%	-0.1%

COMEX GOLD



Global Commodities & Currencies

Commodities/ Currencies	Close 5 PM	Previous	% Chg
LEAD	1967.50	1970.50	-0.15%
ALUMINIUM	1919.75	1925.25	-0.29%
ZINC	2557.75	2544.50	+0.52%
NATURALGAS	3.865	3.769	+2.55%
PALLADIUM	1275.51	1263.01	+0.99%
PLATINUM	791.15	790.86	+0.04%
GBPUSD	1.2695	1.2641	+0.43%
EURUSD	1.1466	1.1402	+0.56%
USDJPY	111.72	112.36	-0.57%
EURJPY	128.09	128.09	0.00%
GBPJPY	141.83	142.02	-0.13%
GBPCHF	1.2537	1.2556	-0.15%
USDCHF	0.9876	0.9934	-0.58%
USDCAD	1.3459	1.3455	+0.03%
EURGBP	0.9031	0.9019	+0.13%
CHFJPY	113.14	113.11	+0.03%
EURCHF	1.1323	1.1326	-0.03%
AUDUSD	0.7143	0.7190	-0.65%
EURAUD	1.6051	1.5856	+1.23%
GBPAUD	1.7774	1.7581	+1.10%

OUR PREVIOUS CALLS UPDATE

Intraday super star

Date	Currency	Entry	Exit	P/L
19/12	GBPJPY(L)	142.70	--	UNEXECUTED

Trifid special

Date	Commodity	Entry	Exit	P/L
19/12	GOLD(L)	1251	1256	TARGET

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

GOLD



Gold prices fell sharply in the previous session after the Fed's policy outcome but recovered all the losses in today's session due to a sharp fall in dollar. It has broken its previous resistance of \$1251 and now it is heading towards its next resistance at \$1261.

R1	R2	S1	S2
1261	1271	1244	1236

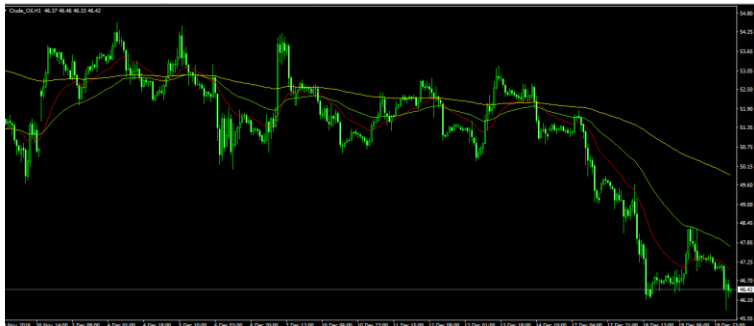
SILVER



Silver prices also regained its losses from the previous session along with the gold prices and moving towards its key resistance at \$14.80 level. If it breaks this resistance then it may turn bullish and take an upward direction while failure to sustain above this level may take it again down near its support at \$14.60.

R1	R2	S1	S2
14.80	14.94	14.60	14.45

CRUDE



Crude oil prices gained in the previous session but gave up all the gains in today's session and made a new low below \$46. It is expected to remain at the lower levels as it is strongly bearish and faces strong selling pressure at the higher levels.

R1	R2	S1	S2
48.40	49.75	45.55	44.70

COPPER



Copper prices could not break its key support near 2.6470 level and moved higher in today's session. It is likely to trade above this support however the upside is likely to be limited and may face resistance near 2.7020 level.

R1	R2	S1	S2
2.7020	2.7230	2.6470	2.6240

GBPUSD



GBPUSD moves higher, trading closer to 1.2700. The USD is on the back foot in the day after the Fed decision. UK retail Sales beat with 1.4%. The BOE is up next and no change is expected. Technically, the pair is at the brink of breaking the downward trend-line to the upside with technical oscillators pointing upwards but elevated strongly on a 1-hour chart. Momentum is approaching one week high.

R1	R2	S1	S2
1.2712	1.2772	1.2640	1.2585

USDJPY



The USDJPY pair struggled to build on the post-Fed recovery move and came under some intense selling pressure on Thursday. Wednesday not so dovish FOMC statement/economic projections, now foreseeing two rate hikes in 2019 vs. three in September, did provide a minor lift to the US Dollar and assisted the pair to bounce off the 112.00 neighborhood.

R1	R2	S1	S2
112.20	112.65	111.65	111.35

EURUSD



EURUSD extends its gains, hitting the highest since early November, as US yields fall. Markets are having second thoughts about the Fed decision, which had been perceived as a "hawkish hike" on Wednesday. Technically, 1.1425 is a battle line after capping the pair last week. 1.1440 was the high point on Wednesday. 1.1475 and 1.1500 both were peaks seen in November. 1.1270 provides further support.

R1	R2	S1	S2
1.1500	1.1540	1.1415	1.1380

USDCHF



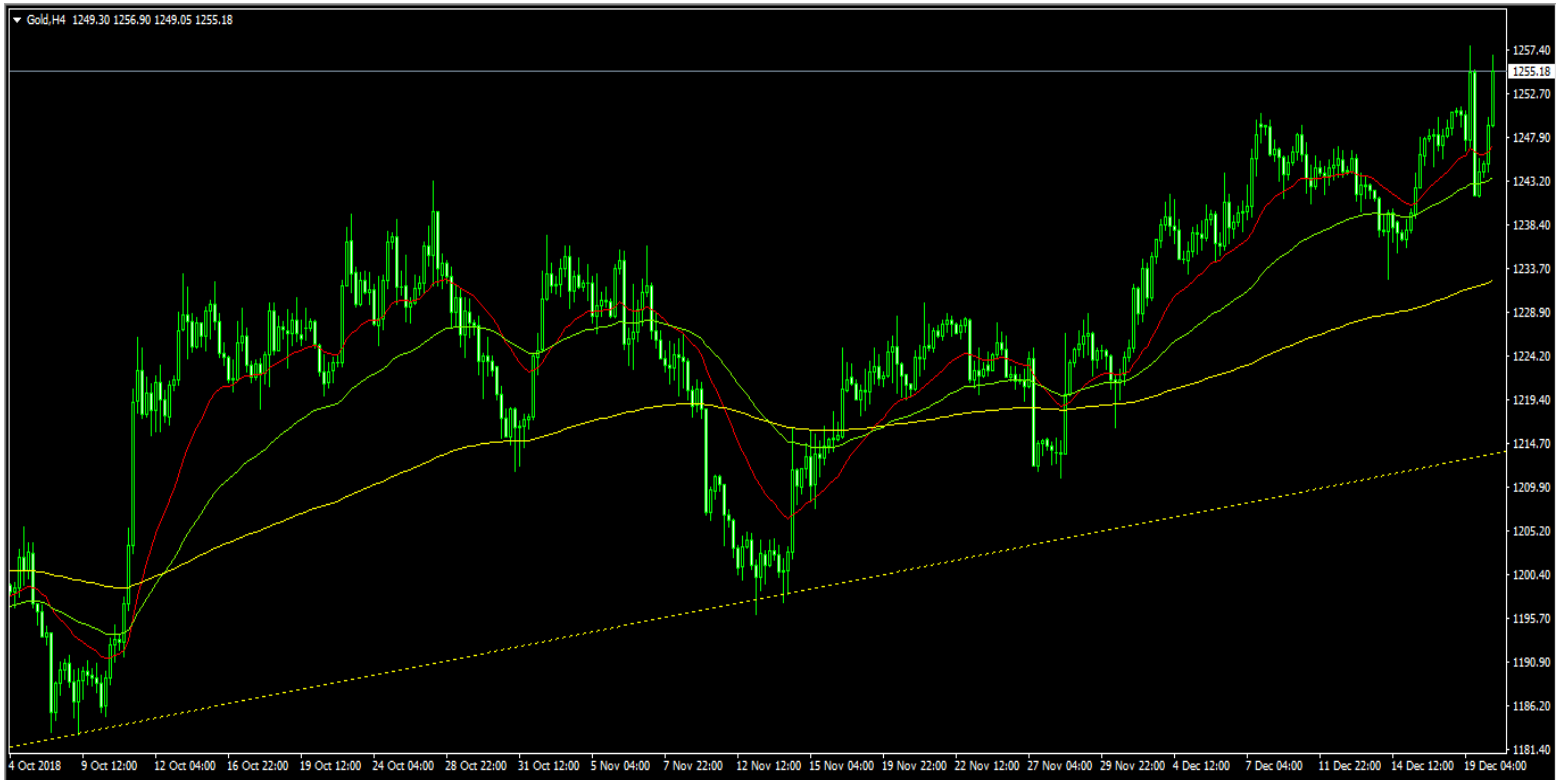
The USDCHF currency pair has been trading in a descending channel pattern during the past six-week. During this period, the pair re-tested the upper boundary of the descending pattern. Technical indicators favor bearish signals. Therefore, a potential downside breakdown is likely to occur during the following trading days. However, the 200-hour SMA could hinder the currency rate from surging.

R1	R2	S1	S2
0.9920	0.9965	0.9850	0.9800



EURAUD seems to be downwards in 1-hours chart. A break-down 1.6060 put some more bearish outlook.

SELL BELOW – 1.6060 TARGET – 1.6045 /1.6030/1.6015 SL ABOVE – 1.6090



Gold prices are trading at the higher levels. If it breaks its resistance at \$1261 then it may move further up.

BUY ABOVE – 1261 TARGET – 1266 SL BELOW – 1256

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