

## Gold prices edge lower on firmer dollar amid US-China trade worries

- GOLD:** Gold prices inched lower early on Wednesday as the U.S. dollar firmed amid an escalating trade spat between the United States and China. The Trump administration raised the stakes in its trade war with China on Tuesday, saying it would slap 10 percent tariffs on an extra \$200 billion worth of Chinese imports. The European Central Bank defended its 2.6 trillion-euro bond-buying program before the European Union's top court on Tuesday from accusations it was bankrolling governments and endangering taxpayer money.
- CRUDE OIL:** Oil prices fell on Wednesday, with Brent dropping by more than \$1, after the United States said it would consider requests for waivers from sanctions due to snap back into place on Iranian crude exports. Washington will consider requests from some countries to be exempted from sanctions it will put into effect in November to prevent Iran from exporting oil, U.S. Secretary of State Mike Pompeo said on Tuesday. U.S. crude inventories fell last week by 6.8 million barrels, according to data from industry group, the American Petroleum Institute.
- U.S. EQUITIES:** Stocks closed higher on Tuesday as the latest corporate earnings season got under way while worries of an ongoing trade war declined. The Dow Jones Industrial Average rose 143.07 points to 24,919.66. The 30-stock index also posted its fourth straight day of gains. The S&P 500 gained 0.4 percent to 2,793.84 — its highest since Feb. The Nasdaq Composite closed just above breakeven at 7,759.20. The expectation of strong earnings has diverted attention away from lingering trade fears, as the U.S. engages other major economies in a trade war.
- U.S. DOLLAR:** The dollar index, which measures the greenback against a basket of six major currencies, was 0.1 percent higher at 94.209. The dollar fell from seven-week highs against the yen and the Australian dollar stumbled after Washington announced a plan to slap tariffs on \$200 billion of imports from China, escalating tensions between the world's two biggest economies.

Reuters, CNBC

Time	Currency	Impact	Event	Forecast	Previous
<b>11<sup>th</sup> July, 2018</b>					
7:00pm	CAD	High	BOC Monetary Policy Report		
7:00pm	CAD	High	BOC Rate Statement		
7:00pm	CAD	High	Overnight Rate	1.50%	1.25%
7:30pm	USD	High	Crude Oil Inventories	-4.1M	1.2M
8:15pm	CAD	High	BOC Press Conference		
8:35pm	GBP	High	BOE Gov Carney Speaks		

Source: [www.forexfactory.com](http://www.forexfactory.com)

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Kamal Ahmed  
Kamal.ahmed@bipsec.com  
BIPL Securities Limited  
+92 21 111 222 000

### Synopsis

Gold (Play the Range)	
2 <sup>nd</sup> Resistance	US\$1,260
1 <sup>st</sup> Resistance	US\$1,255
1 <sup>st</sup> Support	US\$1,245
2 <sup>nd</sup> Support	US\$1,240
Silver (Play the Range)	
2 <sup>nd</sup> Resistance	US\$16.30
1 <sup>st</sup> Resistance	US\$16.10
1 <sup>st</sup> Support	US\$15.80
2 <sup>nd</sup> Support	US\$15.60
WTI (Play the Range)	
2 <sup>nd</sup> Resistance	US\$75.30
1 <sup>st</sup> Resistance	US\$74.50
1 <sup>st</sup> Support	US\$73.10
2 <sup>nd</sup> Support	US\$72.50
EURUSD (Play the Range)	
2 <sup>nd</sup> Resistance	US\$1.1840
1 <sup>st</sup> Resistance	US\$1.1790
1 <sup>st</sup> Support	US\$1.1690
2 <sup>nd</sup> Support	US\$1.1630
GBPUSD (Play the Range)	
2 <sup>nd</sup> Resistance	US\$1.3370
1 <sup>st</sup> Resistance	US\$1.3310
1 <sup>st</sup> Support	US\$1.3220
2 <sup>nd</sup> Support	US\$1.3170
USDJPY (Play the Range)	
2 <sup>nd</sup> Resistance	US\$111.90
1 <sup>st</sup> Resistance	US\$111.30
1 <sup>st</sup> Support	US\$110.70
2 <sup>nd</sup> Support	US\$110.20
DJIA-30 (Play the Range)	
2 <sup>nd</sup> Resistance	25,100
1 <sup>st</sup> Resistance	24,900
1 <sup>st</sup> Support	24,600
2 <sup>nd</sup> Support	24,300
S&P-500 (Play the Range)	
2 <sup>nd</sup> Resistance	2,820
1 <sup>st</sup> Resistance	2,800
1 <sup>st</sup> Support	2,760
2 <sup>nd</sup> Support	2,740
NASDAQ-100 (Play the Range)	
2 <sup>nd</sup> Resistance	7,400
1 <sup>st</sup> Resistance	7,330
1 <sup>st</sup> Support	7,180
2 <sup>nd</sup> Support	7,040

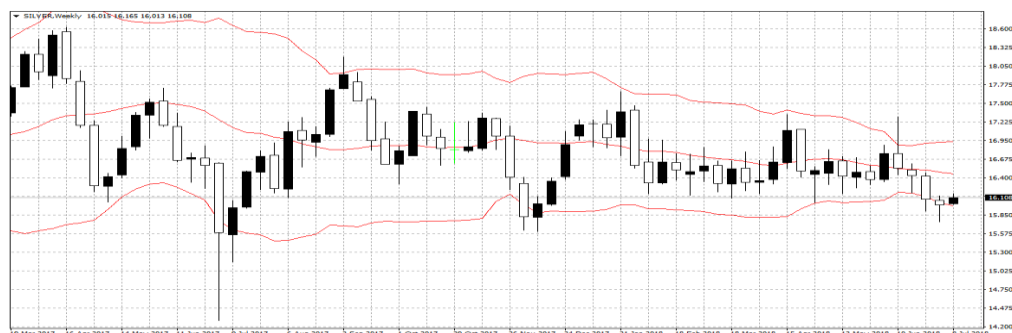
## Gold Spot



### Technical Strategy: Play the Range

Gold closed at US\$1,255/Oz, above its 05-DMA which is at US\$1,252.72/oz. However, RSI and Stochastic are neutral in the short term charts and suggest consolidation in the tight range. We recommend playing within the range of US\$1,245/oz - US\$1,255/oz. A break below US\$1,245/oz could target US\$1,240/oz, while a break above US\$1,255/oz could target US\$1,260/oz.

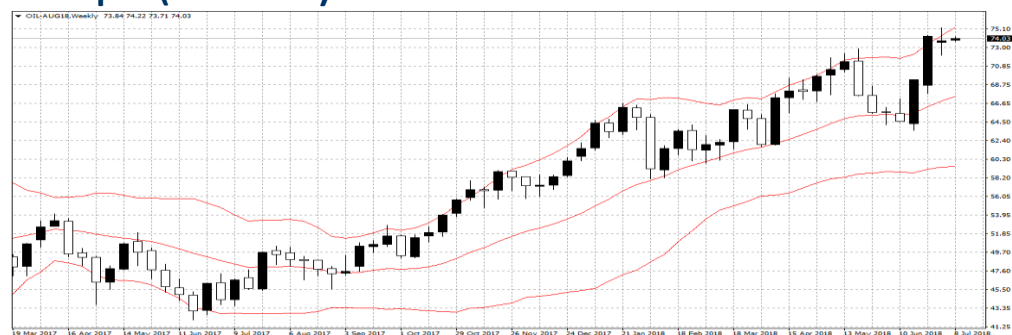
## Silver Spot



### Technical Strategy: Play the Range

Silver closed at US\$16.04/oz, above its 05-DMA which is at US\$15.98/oz. However, RSI and Stochastic are neutral in the short term chart and suggest range-bound trading or consolidation in the near term. We recommend playing within the range of US\$15.80/oz - US\$16.10/oz. A break below US\$15.80/oz could target US\$15.60/oz, while a break above US\$16.10/oz could target US\$16.30/oz.

## WTI Spot (Crude Oil)



### Technical Strategy: Play the Range

Oil closed at US\$74.19/bbl, above its 05-DMA which is at US\$73.88/bbl. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of US\$73.10 - US\$74.50. A break below US\$73.10/bbl could target US\$72.50/bbl, while a break above US\$74.50/bbl could target US\$75.30/bbl.

## Gold: Key Highlights

DATE	10-July
Open	1257.46
High	1260.24
Low	1247.29
Close	1255.25
MA(20)	1264.46
MA(100)	1307.9
MA(200)	1302.03
RSI(14)	37.74

Source: Bloomberg

## Silver: Key Highlights

DATE	10-July
Open	16.07
High	16.15
Low	15.88
Close	16.04
MA(20)	16.26
MA(100)	16.47
MA(200)	16.63
RSI(14)	42.41

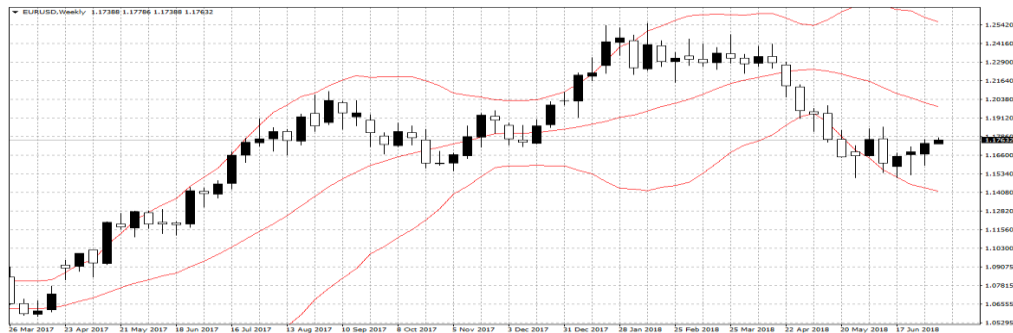
Source: Bloomberg

## WTI Spot: Key Highlights

DATE	10-July
Open	74.02
High	74.65
Low	73.63
Close	74.19
MA(20)	70.27
MA(100)	66.84
MA(200)	62.43
RSI(14)	66.36

Source: Bloomberg

### EURUSD



**Technical Strategy: Play the Range**

EURUSD closed at US\$1.1743, a above its 05-DMA which is at US\$1.1697. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of US\$1.1690 - US\$1.1790. A break below US\$1.1690 could target US\$1.1630, while a break above US\$1.1790 could target US\$1.1840.

### GBPUSD



**Technical Strategy: Play the Range**

GBPUSD closed at US\$1.3273, a above its 05-DMA which is at US\$1.3233. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of US\$1.3220 - US\$1.3310. A break below US\$1.3220 could target US\$1.3170, while a break above US\$1.3310 could target US\$1.3370.

### USDJPY



**Technical Strategy: Play the Range**

USDJPY closed at US\$110.98, below its 05-DMA which is at US\$110.58. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of US\$110.70 - US\$111.30. A break below US\$110.70 could target US\$110.20, while a break above US\$111.30 could target US\$111.90.

### EURUSD: Key Highlights

DATE	10-July
Open	1.1749
High	1.1762
Low	1.1690
Close	1.1743
MA(20)	1.1651
MA(100)	1.2013
MA(200)	1.1987
RSI(14)	54.42

Source: Bloomberg

### GBPUSD: Key Highlights

DATE	10-July
Open	1.3254
High	1.3300
Low	1.3222
Close	1.3273
MA(20)	1.3223
MA(100)	1.3671
MA(200)	1.3588
RSI(14)	49.90

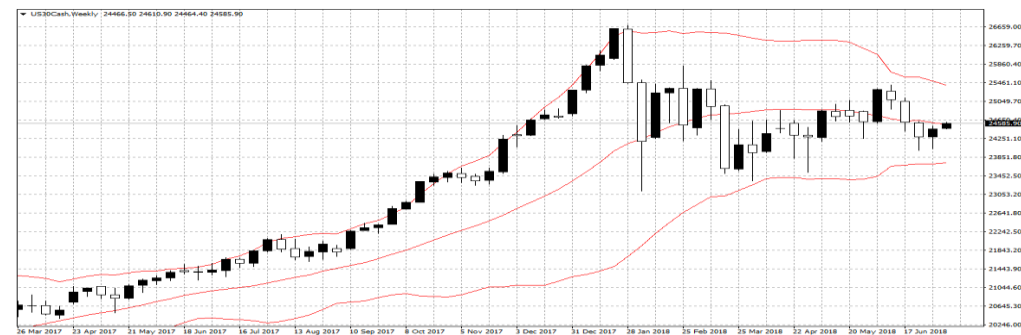
Source: Bloomberg

### USDJPY: Key Highlights

DATE	10-July
Open	110.81
High	111.35
Low	110.75
Close	110.98
MA(20)	110.41
MA(100)	108.44
MA(200)	110.06
RSI(14)	61.04

Source: Bloomberg

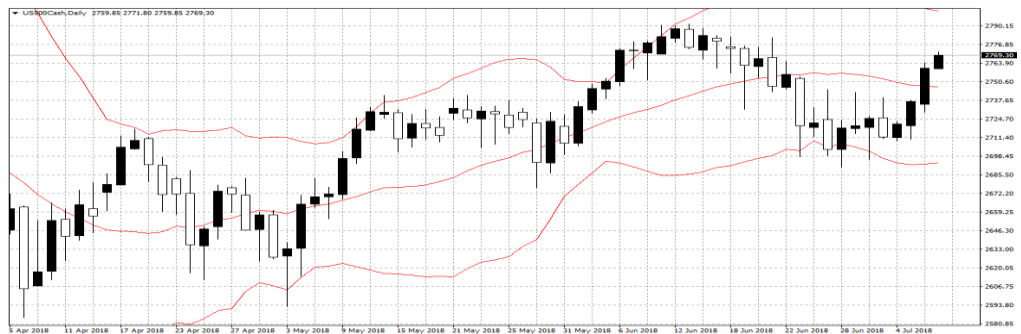
### DJIA-30



**Technical Strategy: Play the Range**

Dow Jones closed at 24,807, a above its 05-DMA which is at 24,402. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We re commend playing within the range of 24,600– 24,900. A break below 24,600 could target 24,300, while a break above 24,900 could target 25,100.

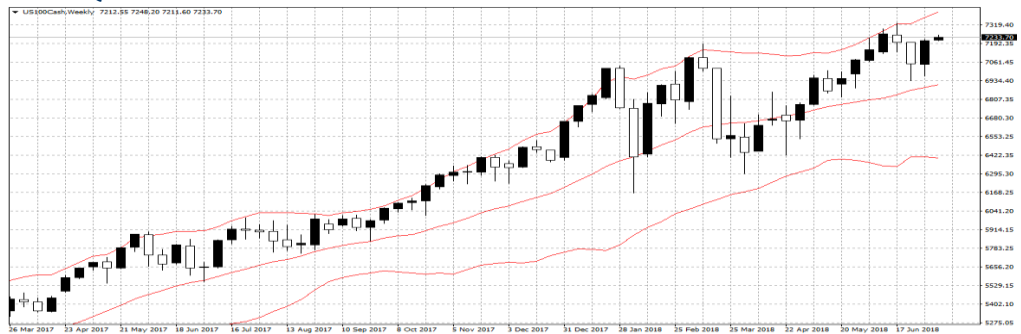
### S&P-500



**Technical Strategy: Play the Range**

S&P closed at US\$2,783, a above its 05-DMA which is at 2,743. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We re commend playing within the range of 2,760– 2,800. A break below 2,760 could target 2,740, while a break above 2,800 could target 2,820.

### NSDQ-100



**Technical Strategy: Play the Range**

NASDAQ closed at 7,253 a above its 05-DMA which is at 7,126. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We re commend playing within the range of 7,180– 7,330. A break below 7,180 could target 7,040, while a break above 7,330 could target 7,400.

#### DJIA-30: Key Highlights

DATE	10-July
Open	24789
High	24944
Low	24752
Close	24807
MA(20)	24565
MA(100)	24609
MA(200)	24453
RSI(14)	57.18

Source: Bloomberg

#### S&P-500: Key Highlights

DATE	10-July
Open	2785
High	2795
Low	2780
Close	2783
MA(20)	2748
MA(100)	2709
MA(200)	2682
RSI(14)	62.39

Source: Bloomberg

#### NSDQ-100: Key Highlights

DATE	10-July
Open	7280
High	7315
Low	7245
Close	7253
MA(20)	7154
MA(100)	6895
MA(200)	6661
RSI(14)	60.16

Source: Bloomberg

## Glossary of Terms

- **Relative Strength Index (RSI)**: The Relative Strength Index (RSI) is a popular oscillator used by traders. The name "Relative Strength Index" is slightly misleading as the RSI does not compare the relative strength of two securities, but rather the internal strength of a single security. A more appropriate name might be "Internal Strength Index." The RSI is a fairly simple formula, but is difficult to explain without pages of examples.
- **The Moving Average Convergence/Divergence indicator (MACD)**: is calculated by subtracting 26-period exponential moving average from 12-period exponential moving average. A 9-period dotted exponential moving average (the "signal line") is automatically displayed on top of the MACD indicator line.
- **The Stochastic Oscillator**: is based on stochastic mathematics. It compares where a security's price closed relative to its trading range over the last x-time periods. The Stochastic Oscillator always ranges between 0% and 100%. A reading of 0% shows that the security's close was the lowest price that the security has traded during the preceding x-time periods. A reading of 100% shows that the security's close was the highest price that the security has traded during the preceding x-time periods. The Stochastic Oscillator indicates an oversold state below 20% and an overbought state above 80%.
- **Bollinger Bands**: is a type of envelope developed by John Bollinger. Bollinger Bands are plotted at standard deviation levels above and below a moving average. The moving average generally taken is a 20-DMA, while the standard deviation count is 2. This is a very good to gauge both the general direction and the volatility.

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