

Gold near two-month high, buoyed by geopolitical tensions

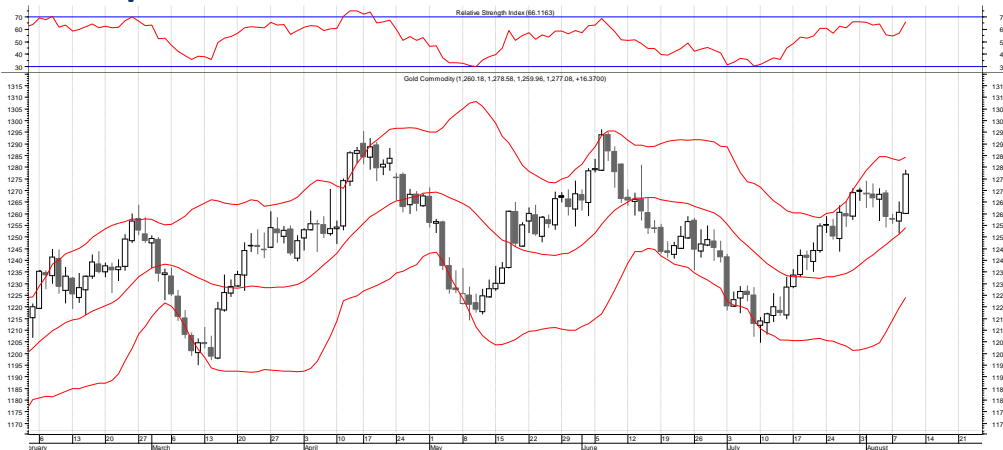
- **Gold continues to shine:** Gold prices edged up on Wednesday, making a high of US\$1,281/oz as investors rushed to safe-haven assets on rising tensions between U.S. and N.Korea. In addition, the yellow metal was also supported by weaker-than-expected U.S. economic data. However, analyst believe prices might recover if mounting tensions eased.
- **Oil closed above 200-DMA:** Oil prices rose in the previous session to US\$49.70/bbl after crude oil inventories data showed a fall of 6.5 million barrels this week, compared with the expectations for a decrease of 2.7 million barrels. The gains, however, were limited as surprise increase in gasoline stocks capped gains in oil prices. Technical analyst suggest strong resistance at US\$50/bbl – U\$50.50/bbl level.

Reuters, CNBC

Time	Currency	Impact	Event	Forecast	Previous
10th August Thursday					
1:30pm	GBP	High	Manufacturing Production m/m	0.0%	-0.2%
1:30pm	GBP	Medium	Goods Trade Balance	-11.0B	-11.9B
5:30pm	USD	High	PPI m/m	0.1%	0.1%
5:30pm	USD	High	Unemployment Claims	240K	240K
5:30pm	USD	Medium	Core PPI m/m	0.2%	0.1%
7:30pm	USD	Medium	FOMC Member Dudley Speaks		
11th August Friday					
5:30pm	USD	High	CPI m/m	0.2%	0.0%
5:30pm	USD	High	Core CPI m/m	0.2%	0.1%
6:40pm	USD	Medium	FOMC Member Kaplan Speaks		
8:30pm	USD	Medium	FOMC Member Kashkari Speaks		

Source: www.forexfactory.com/calendar

Gold Spot



Technical Strategy: Play the Range

Gold closed at US\$1,280/oz, above its 05-DMA which is at US\$1,267/oz. 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\$1,270/oz - US\$1,285/oz. A break below US\$1,270/oz could target US\$1,262/oz, while a break above US\$1,285/oz could target US\$1,294/oz.

Refer to important disclosures on page 3

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Synopsis

Gold (Play the Range)

2 nd Resistance	US\$1,294
1 st Resistance	US\$1,285
1 st Support	US\$1,270
2 nd Support	US\$1,262

Silver (Play the Range)

2 nd Resistance	US\$17.50
1 st Resistance	US\$17.20
1 st Support	US\$16.70
2 nd Support	US\$16.50

WTI Spot (Play the Range)

2 nd Resistance	US\$50.80
1 st Resistance	US\$50.00
1 st Support	US\$48.80
2 nd Support	US\$48.00

Source: BIPLS Technical Research

Gold: Key Highlights

US\$/oz.	9-Aug	Change
Open	1260.18	-0.53
High	1278.58	17.87
Low	1259.96	-0.75
Close	1277.08	16.37

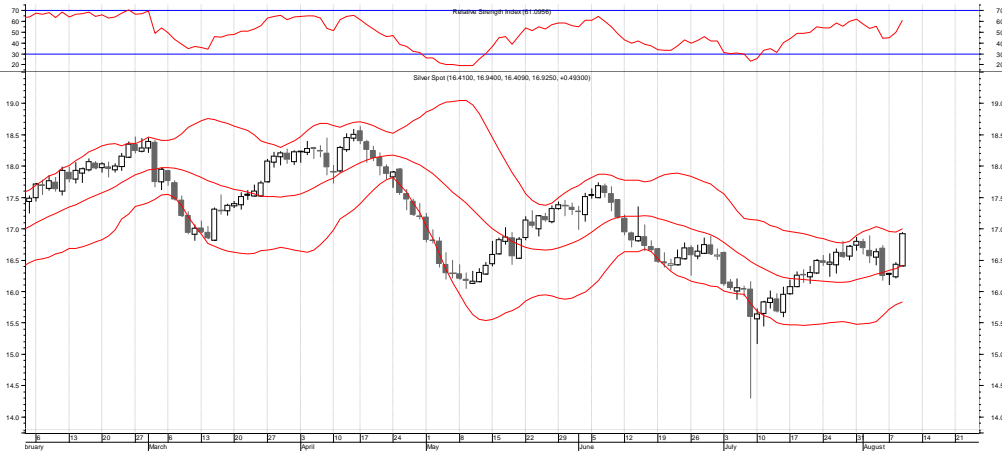
Source: Bloomberg

Key Technical Indicators

Date	9-Aug	8-Aug	Change
30-DMA	1244.22	1243.28	0.94
50-DMA	1251.08	1250.91	0.17
200DMA	1229.94	1229.93	0.01
9-D RSI	71.02	56.95	14.07
14-D RSI	66.12	56.82	9.30

Source: BIPLS Technical Research

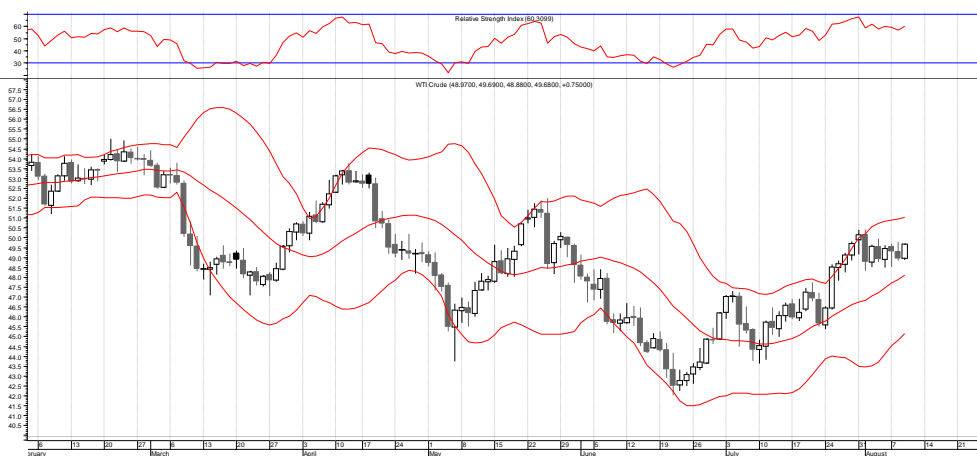
Silver Spot



Technical Strategy: Play the Range

Silver closed at US\$16.93/oz, below its 100-DMA which is at US\$16.99/oz. 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\$16.70/oz - US\$17.20/oz. A break below US\$16.70/oz could target US\$16.50/oz, while a break above US\$17.20/oz could target US\$17.50/oz.

WTI Spot (Crude Oil)



Technical Strategy: Play the Range

Oil closed at US\$49.68/bbl, above its 200-DMA which is at US\$49.50/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\$48.80/bbl - US\$50.00/bbl. A break below US\$48.80/bbl could target US\$48.00/bbl, while a break above US\$50.00/bbl could target US\$50.80/bbl.

Silver: Key Highlights

US\$/oz.	9-Aug	Change
Open	16.41	-0.02
High	16.94	0.51
Low	16.41	-0.02
Close	16.93	0.49

Source: Bloomberg

Key Technical Indicators

Date	9-Aug	8-Aug	Change
30-DMA	16.29	16.29	0.01
50-DMA	16.55	16.56	-0.01
200DMA	17.07	17.07	0.00
9-D RSI	65.73	49.99	15.74
14-D RSI	61.10	49.91	11.18

Source: BIPLS Technical Research

WTI Spot: Key Highlights

US\$/bbl	9-Aug	Change
Open	48.97	0.04
High	49.69	0.76
Low	48.88	-0.05
Close	49.68	0.75

Source: Bloomberg

Key Technical Indicators

Date	9-Aug	8-Aug	Change
30-DMA	47.26	47.10	0.16
50-DMA	46.40	46.37	0.02
200DMA	49.39	49.38	0.01
9-D RSI	61.60	55.97	5.63
14-D RSI	60.31	56.83	3.48

Source: BIPLS Technical Research

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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