

## Gold on track for fifth-weekly gains; Oil takes a breather

- GOLD:** Gold prices rose for the third consecutive session on Friday as U.S. dollar plunged lower after data on Thursday which showed producer prices in the United States fell for the first time in nearly 1-1/2 years in the month of December amid declining costs for services. However, investors will be watching the U.S. Consumer Price Index data due later today which is expected to show increase in inflation by 0.2% in December after rising 0.4% in November. Analysis suggests prices to rise further if U.S. inflationary data misses targets.
- CRUDE OIL:** Oil prices skyrocketed initially in the previous session, making a high of US\$64.72/bbl as markets were largely supported by ongoing supply cuts led by OPEC and Russia along with political risk especially in Iran, Venezuela and Libya. The gains, however, did not last as traders book profit on expectations that higher oil prices will tempt OPEC members and other producers to start pumping. However, Baker Hughes is going to release U.S. rigs count data later tonight.
- U.S. EQUITIES:** Dow Jones Industrial Average rose to an all-time high on Thursday along with S&P 500 and Nasdaq composite as indices were mainly supported by airlines, tech and energy stocks. However, investors will be looking for clues about how the recent changes to the U.S. tax code will impact each company.
- U.S. DOLLAR:** U.S. dollar plunged lower for second straight day as the index was under pressure by its major rival after hawkish ECB comments which signaled that it could begin to wind down its 2.5 trillion euro stimulus program this year. In addition, the greenback was also hit by weaker-than-expected Producer Price Index data, which fell for the first time in more than a year. On the economic front, markets are focused on today's key highlight of U.S. CPI and Retail Sales data. However, experts warned about U.S pulling out itself from NAFTA could make some more damage to the dollar.

Reuters, CNBC

Time	Currency	Impact	Event	Forecast	Previous
<b>12<sup>th</sup> January Friday</b>					
1:30am	USD	Medium	FOMC Member Dudley Speaks		
6:30pm	USD	High	CPI m/m	0.1%	0.4%
6:30pm	USD	High	Core CPI m/m	0.2%	0.1%
6:30pm	USD	High	Core Retail Sales m/m	0.4%	1.0%
6:30pm	USD	High	Retail Sales m/m	0.5%	0.8%
<b>16<sup>th</sup> January Tuesday</b>					
2:30pm	GBP	High	CPI y/y		3.1%
2:30pm	GBP	Medium	PPI Input m/m		1.8%
2:30pm	GBP	Medium	RPI y/y		3.9%
6:30pm	USD	Medium	Empire State Manufacturing		18.0
10:00pm	CHF	High	SNB Chairman Jordan Speaks		

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

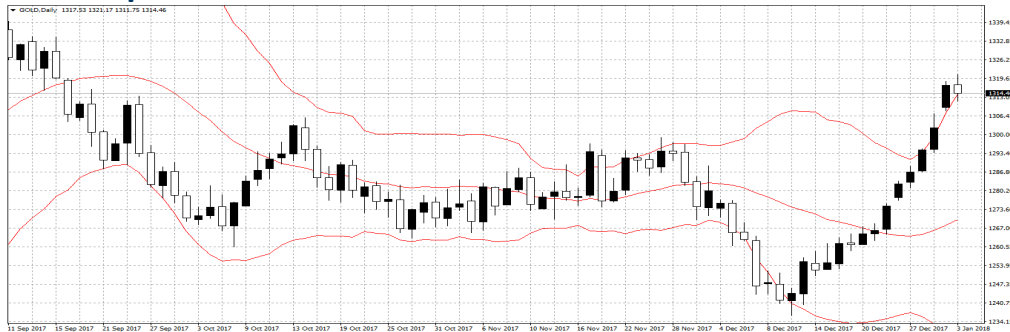
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### Synopsis

Gold (Play the Range)		
2 <sup>nd</sup> Resistance		US\$1,342
1 <sup>st</sup> Resistance		US\$1,335
1 <sup>st</sup> Support		US\$1,322
2 <sup>nd</sup> Support		US\$1,315
Silver (Play the Range)		
2 <sup>nd</sup> Resistance		US\$17.40
1 <sup>st</sup> Resistance		US\$17.20
1 <sup>st</sup> Support		US\$16.90
2 <sup>nd</sup> Support		US\$16.70
WTI (Play the Range)		
2 <sup>nd</sup> Resistance		US\$65.00
1 <sup>st</sup> Resistance		US\$64.20
1 <sup>st</sup> Support		US\$63.20
2 <sup>nd</sup> Support		US\$62.20
EURUSD (Play the Range)		
2 <sup>nd</sup> Resistance		US\$1.2220
1 <sup>st</sup> Resistance		US\$1.2150
1 <sup>st</sup> Support		US\$1.2050
2 <sup>nd</sup> Support		US\$1.1980
GBPUSD (Play the Range)		
2 <sup>nd</sup> Resistance		US\$1.3680
1 <sup>st</sup> Resistance		US\$1.3620
1 <sup>st</sup> Support		US\$1.3520
2 <sup>nd</sup> Support		US\$1.3450
USDJPY (Play the Range)		
2 <sup>nd</sup> Resistance		US\$112.20
1 <sup>st</sup> Resistance		US\$111.50
1 <sup>st</sup> Support		US\$110.80
2 <sup>nd</sup> Support		US\$110.00
DJIA-30 (Play the Range)		
2 <sup>nd</sup> Resistance		25,820
1 <sup>st</sup> Resistance		25,700
1 <sup>st</sup> Support		25,550
2 <sup>nd</sup> Support		25,400
S&P-500 (Play the Range)		
2 <sup>nd</sup> Resistance		2,784
1 <sup>st</sup> Resistance		2,775
1 <sup>st</sup> Support		2,758
2 <sup>nd</sup> Support		2,745
NSDQ-100 (Play the Range)		
2 <sup>nd</sup> Resistance		6,800
1 <sup>st</sup> Resistance		6,750
1 <sup>st</sup> Support		6,670
2 <sup>nd</sup> Support		6,600

### Gold Spot



**Technical Strategy: Play the Range**

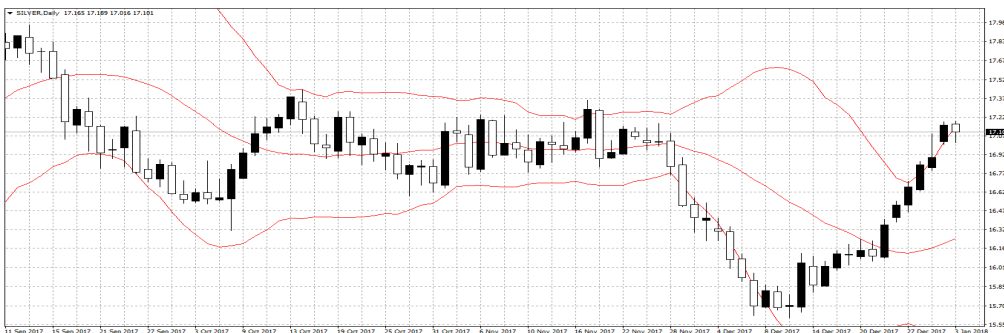
Gold closed at US\$1,323/oz, above its 05-DMA which is at US\$1,319/oz. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of US\$1,322/oz - US\$1,335/oz. A break below US\$1,322/oz could target US\$1,315/oz, while a break above US\$1,335/oz could target US\$1,342/oz.

### Gold: Key Highlights

DATE	11-Jan
Open	1321.0
High	1321.1
Low	1310.0
Close	1313.0

Source: Bloomberg

### Silver Spot



**Technical Strategy: Play the Range**

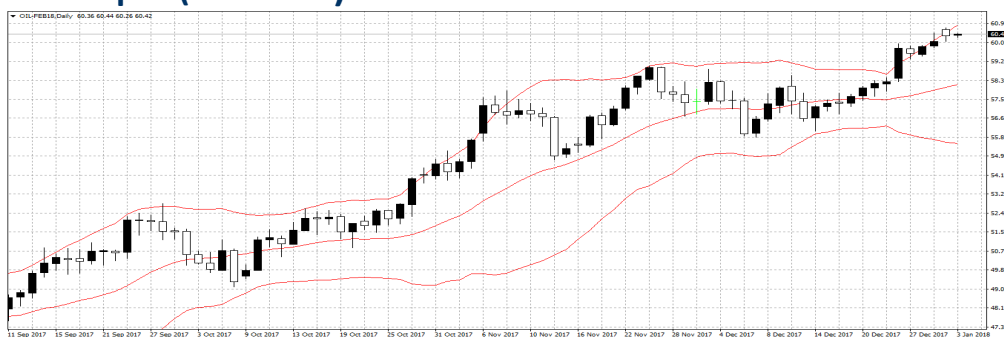
Silver closed at US\$16.97/oz, above its 200-DMA which is at US\$16.91/oz. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of US\$16.90/oz - US\$17.20/oz. A break below US\$16.90/oz could target US\$16.70/oz, while a break above US\$17.20/oz could target US\$17.40/oz.

### Silver: Key Highlights

DATE	11-Jan
Open	17.12
High	17.14
Low	16.92
Close	16.98

Source: Bloomberg

### WTI Spot (Crude Oil)



**Technical Strategy: Play the Range**

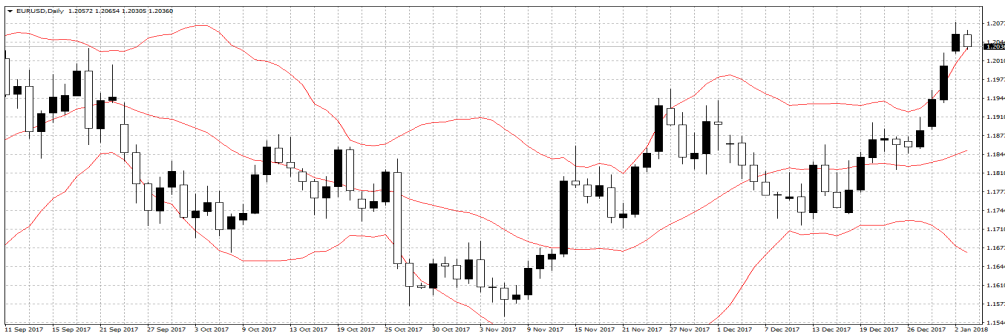
Oil closed at US\$63.52/bbl, above its 05-DMA which is at US\$62.77/bbl. However, RSI and Stochastic are neutral in the short term charts and suggest range-bound trading in the near term. We recommend playing within the range of US\$63.20/bbl - US\$64.20/bbl. A break below US\$63.20/bbl could target US\$62.20/bbl, while a break above US\$64.20/bbl could target US\$65.00/bbl.

### WTI Spot: Key Highlights

DATE	11-Jan
Open	61.89
High	63.44
Low	61.78
Close	63.43

Source: Bloomberg

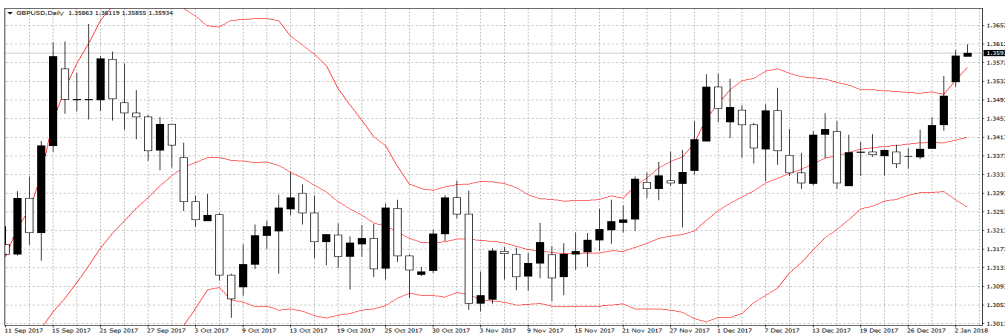
### EURUSD



**Technical Strategy: Play the Range**

EURUSD closed at US\$1.1936, below its 14-DMA which is at US\$1.1943. 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\$1.2050 - US\$1.2150. A break below US\$1.2050 could target US\$1.1980, while a break above US\$1.2150 could target US\$1.2220.

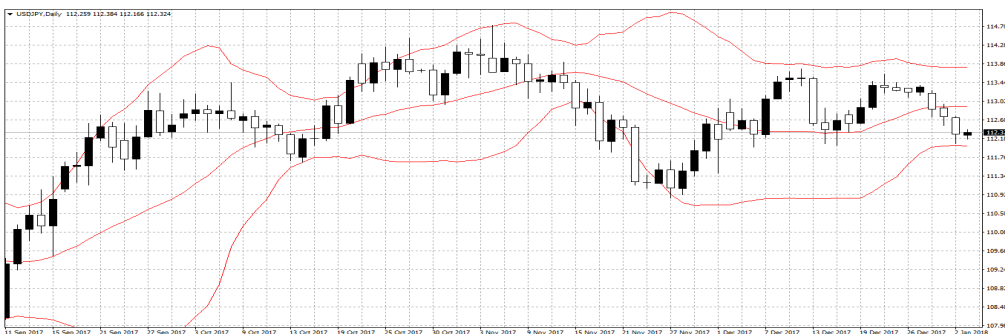
### GBPUSD



**Technical Strategy: Play the Range**

GBPUSD closed at US\$1.3566, above its 05-DMA which is at US\$1.3555. 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\$1.3520 - US\$1.3620. A break below US\$1.3520 could target US\$1.3450, while a break above US\$1.3620 could target US\$1.3680.

### USDJPY



**Technical Strategy: Play the Range**

USDJPY closed at US\$112.64, below its 55-DMA which is at US\$112.94. 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\$110.80 - US\$111.50. A break below US\$110.80 could target US\$110.00, while a break above US\$111.50 could target US\$112.20.

#### EURUSD: Key Highlights

DATE	11-Dec
Open	1.1965
High	1.1975
Low	1.1915
Close	1.1936

Source: Bloomberg

#### GBPUSD: Key Highlights

DATE	11-Jan
Open	1.3564
High	1.3581
Low	1.3507
Close	1.3539

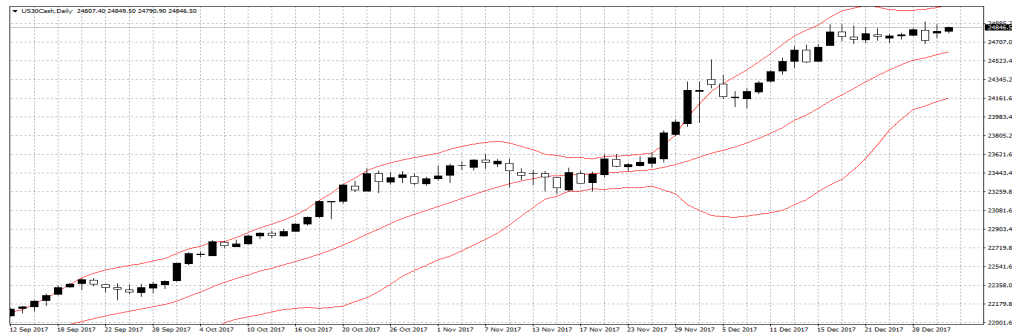
Source: Bloomberg

#### USDJPY: Key Highlights

DATE	11-Jan
Open	113.073
High	113.171
Low	112.361
Close	113.636

Source: Bloomberg

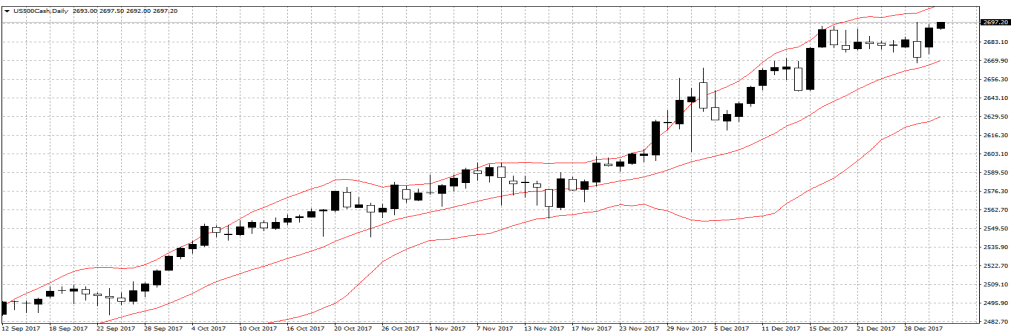
### DJIA-30



#### Technical Strategy: Play the Range

Dow Jones closed at 25,376, above its 05-DMA which is at 25,190. 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 25,550 – 25,700. A break below 25,550 could target 25,400, while a break above 25,700 could target 25,820.

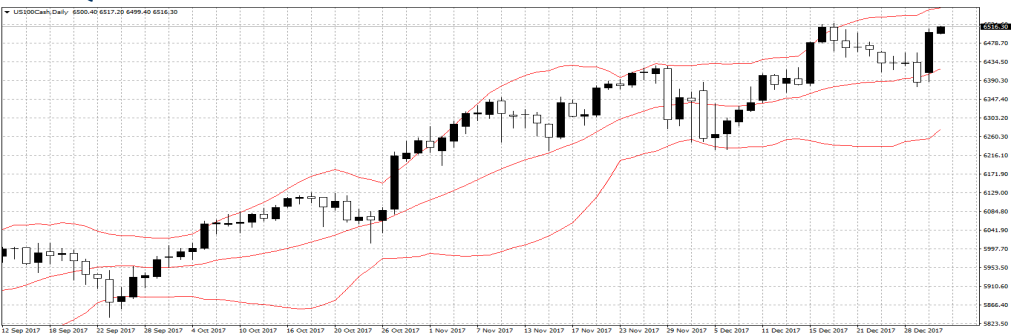
### S&P-500



#### Technical Strategy: Play the Range

S&P closed at US\$2,747, above its 05-DMA which is at 2,723. 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 2,758 – 2,775. A break below 2,758 could target 2,745, while a break above 2,775 could target 2,784.

### NSDQ-100



#### Technical Strategy: Play the Range

NASDAQ closed at 6,669, above its 05-DMA which is at 6,600. 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 6,620 – 6,700. A break below 6,620 could target 6,550, while a break above 6,700 could target 6,750.

### DJIA-30: Key Highlights

DATE	11-Jan
Open	25277.40
High	25439.10
Low	25258.90
Close	25380.90

Source: Bloomberg

### S&P-500: Key Highlights

DATE	11-Jan
Open	2746.80
High	2758.90
Low	2741.90
Close	2749.10

Source: Bloomberg

### NSDQ-100: Key Highlights

DATE	11-Jan
Open	6677.40
High	6695.65
Low	6655.75
Close	6669.40

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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