

CURRENCIES

USD/CAD

I believe that this pair is going to continue to be rather choppy over the next couple of sessions, with the 1.25 level offering a bit of a floor. This is because we get jobs numbers out of both the United States and Canada on Friday, and at the same time. Because of this, I believe that this pair might be "Ground Zero" for short-term news trading on Friday. Between now and then, it's going to take a lot of news or perhaps a huge move in the oil market to move this pair. I suspect that this market is going to continue to find plenty of support at the 1.25 handle, and then again won't be able to break out to the upside, at least not for a significant move. The next couple of days are going to be very choppy and sideways, so therefore very unlikely to be able to be traded for anything more than a scalp.

AUD/USD

The Australian dollar pulled back during the trading session on Wednesday, filling the gap from the Tuesday session. I believe that the market should continue to go higher, perhaps reaching towards the 0.79 level above, and then perhaps even the 0.80 level after that. That's an area that should be very important, as it has been a fulcrum for longer-term trading going back decades. If we can break above the 0.80 level, the market should continue to go towards much higher levels, and put us into a "buy-and-hold" scenario. Alternately, if we were to break down from here I think we will probably go looking towards the 0.77 handle, and then the 0.75 level which will be massively supportive.

USD/CHF

Dollar/Swiss Franc has the closest levels of 0.9730 in resistance and 0.97 in support. R1 counts a 150 day moving average among its 9 studies, and R2 is a 100 day moving average with 8 models. A 20 day moving average is among the 6 technicals for R3. S1 is Price Channel Indicator Lower Line with 4 studies, and S3 is a 2 year low with 3 models. A psychological level is the only match for S2.

Market Watch

USD/CAD

Open	1.2548
High	1.2555
Low	1.2531
Close	1.2533

(Prices as of January 3rd, 2018)

AUD/USD

Open	0.7827
High	0.7838
Low	0.7814
Close	0.7836

(Prices as of January 3rd, 2018)

USD/CHF

Open	0.9772
High	0.9780
Low	0.9771
Close	0.9777

(Prices as of January 3rd, 2018)

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CURRENCIES**USD/JPY**

The US dollar did very little against the Japanese yen during the trading session on Wednesday, as we hover above the 112 handle. I believe that area will continue to be important, but even if we were to break down below there, the market has plenty of support at the 111 level as well. Ultimately, I think that we are waiting for the jobs number on Friday to make our next move, as this pair is highly sensitive to that announcement. If the jobs number is strong, that typically sends this market to the upside, and of course the opposite is true. The volatility in this pair should continue, but I think that although the US dollar has been falling in general, this pair tends to react a bit differently as the US dollar has been sold off against other currencies, this market often will favor the overall attitude of markets. If the stock markets do well, typically the USD/JPY pair will rise with it.

EUR/USD

The EUR/USD pair drifted a bit lower during the trading session on Wednesday, reaching towards the 1.20 level. That's an area that had previously been resistive, and now that we have fallen the way we did during the Wednesday session, we have filled the gap, thereby satisfying the typical technical analysis move. I believe that we are going to continue to go higher, perhaps reaching towards the 1.21 handle. A break above that level opens the door to a longer-term "buy-and-hold" scenario, and I believe that pullbacks continue to be buying opportunities in a market that certainly looks bullish.

GBP/USD

The British pound initially went sideways during the trading session on Wednesday, but then dropped a bit from there. The 1.3550 level appears to be supportive, and most certainly the 1.35 level will be, as we gapped above there at the open on Tuesday. That's an area that I think will find plenty of buyers, so it's only a matter of time before the buyers return as far as I can see. I believe that the uptrend continues, but we do have the jobs number coming on a Friday which of course can cause quite a bit of volatility. I think that the 1.3650 level above is the goal, and breaking above that signifies that the British pound is ready to go much higher. Ultimately, the market should offer a "buy-and-hold" trade, but I think we are trying to build up enough momentum to finally go towards that area.

Market Watch**USD/JPY**

Open	112.62
High	112.78
Low	112.60
Close	112.65

(Prices as of January 3rd, 2018)

EUR/USD

Open	1.2010
High	1.2022
Low	1.2005
Close	1.2014

(Prices as of January 3rd, 2018)

GBP/USD

Open	1.3512
High	1.3523
Low	1.3506
Close	1.3518

(Prices as of January 3rd, 2018)

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CURRENCIES

EUR/GBP

The EUR/GBP pair continues to go back and forth, as we initially fell during the trading session on Wednesday, but bounced enough to form what is looking very much like a daily hammer. I think that the market should continue to go back and forth overall, as the 0.88 level underneath is the “floor” in the market, while the 0.90 level above is the “ceiling.” Because of that, I think that the market will continue to go back and forth, and I think that the longer-term attitude of the market is more than likely to the upside, especially considering that we are negotiating a divorce between the United Kingdom and the European Union, which should favor the European Union longer-term as it is a larger trading block, and of course a bit more certain in the future than the unknowns coming out of London.

EUR/JPY

Bearish signals prevail on Euro/Yen’s short-term chart. The mid-term is mostly neutral, and the long-term turns green with 4 studies, matching the more than 49% long interbank sentiment.

GBP/JPY

The British pound fell significantly during the trading session on Wednesday, slicing down to the 152 handle. This is an area that has been important in the past, as it was resistance. Ultimately, I believe that we will find buyers, and this pullback is simply going to offer a bit of value. We have been grinding to the upside, reaching towards the 153 level. That’s an area that is vital to the marketplace, because if we can break above there we could go much higher, and start the next phase in the uptrend that we have seen. If we cannot break above there, then I think the market will eventually break down to go much lower, with the initial target being the 150 handle. I believe that in general, markets continue to find a lot of volatility but also a lot of bullish pressure. The British pound has been oversold for some time, and I think at this point in time, these pullbacks offer an opportunity to go long. Once we break above the 153 handle, I think that we will go looking towards the 160 handle, and eventually the 163 handle. I believe that this year will be good for this pair, as the British pound had been sold off a bit too much over the last couple of years.

Market Watch

EUR/GBP

Open	0.8889
High	0.8891
Low	0.8885
Close	0.8889

(Prices as of January 3rd, 2018)

EUR/JPY

Open	132.46
High	132.66
Low	131.93
Close	132.56

(Prices as of January 3rd, 2018)

GBP/JPY

Open	152.61
High	152.82
Low	152.57
Close	152.80

(Prices as of January 3rd, 2018)

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Crude Oil

The WTI Crude Oil market initially went sideways during the trading session on Wednesday, but then shot towards the \$61.50 level above. The market looks likely to roll over from here though, because we have seen so much in the way of an overextension. A pullback should be a buying opportunity though, with the \$60 level below possibly offering a bit of a "floor."



TECHNICAL

I think that the market is probably going to go looking towards the \$62.50 level above which is a larger timeframe area that the market has paid attention to before. In general, I believe that the following US dollar will continue to help, and of course the writing and Iran will continue to have a lot of traders nervous about the Middle East.

Market Watch

Open	\$61.83
High	\$62.16
Low	\$61.77
Close	\$62.13

(Prices as of January 3rd, 2018)

Moving Averages

5 DMA	\$61.00
10 DMA	\$60.15
14 DMA	\$58.80
50 DMA	\$57.82

Bollinger Band

Upper Band	\$58.80
Middle Band	\$62.01
Lower Band	\$55.58

Support

Support 1	\$61.01
Support 2	\$59.81

Resistance

Resistance 1	\$62.68
Resistance 2	\$63.15

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GOLD

Gold markets continue to be choppy, but I think we will continue to go to the upside, perhaps looking towards the \$1325 level above, and then eventually the \$1350 level. I think that pullbacks offer value, as the US dollar continues to fall in general. That translates to higher pricing in the precious metals markets, which of course gold is the benchmark.



TECHNICAL

I think that the \$1300 level below should be the “floor” going forward, and that being the case it’s likely that we will not build a breakdown below there. If we did, that could change everything, but in the meantime, I think that you should look at it as the support. Longer-term, I anticipate that the market is going to go looking towards the \$1400 level, as it is a major inflection point on the longer-term charts.

Market Watch

Open	\$1312.50
High	\$1322.70
Low	\$1307.10
Close	\$1310.00

(Prices as of January 3rd, 2018)

Moving Averages

5 DMA	\$1311.68
10 DMA	\$1299.12
14 DMA	\$1278.48
50 DMA	\$1279.31

Bollinger Band

Upper Band	\$1275.51
Middle Band	\$1326.10
Lower Band	\$1229.85

Support

Support 1	\$1305.60
Support 2	\$1300.35

Resistance

Resistance 1	\$1319.40
Resistance 2	\$1327.95

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SILVER

The Silver markets continue to be very volatile, but breaking above the \$17 level was a very strong sign, and therefore I think that the market is ready to continue going higher. Perhaps we go to the \$17.50 level above, which is resistance, and it could take a while to get above. A break above that level should send this market to the \$18 handle, but it is going to take a certain amount of momentum building to get there.



TECHNICAL

I think that adding to the market going higher, and smaller positions. I think that the larger core position being attitude can continue to add profit to a market that looks likely to reach towards the top of the overall consolidation area which extends to the previously mentioned \$18 handle. A break above there should send this market free to the \$20 handle longer term. In the meantime, I think that if we were to break down below the \$16.90 level, the market could drop towards the \$16.50 level which would be the next support level.

Market Watch

Open	\$16.808
High	\$16.887
Low	\$16.624
Close	\$16.878

(Prices as of January 3rd, 2018)

Moving Averages

5 DMA	\$17.110
10 DMA	\$16.863
14 DMA	\$16.454
50 DMA	\$16.629

Bollinger Band

Upper Band	\$16.995
Middle Band	\$17.475
Lower Band	\$16.615

Support

Support 1	\$17.037
Support 2	\$16.956

Resistance

Resistance 1	\$17.242
Resistance 2	\$17.366

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COPPER

Comex High Grade Copper futures are down for a third day on Wednesday amid investor profit-taking. A rise in supply out of South America also dragged down prices. Chile’s National Statistics Institute reported late last year that the country’s copper production rose 4.8% year-on-year in November, Commerzbank analysts said in a note. A renovated concentrator plant at Escondida—the world’s largest mine—was a factor in that rise, Commerzbank said, adding that Chilean copper commission Cochilco has also said that new capacity at Escondida would see production continue to grow.



TECHNICAL

The main trend is up according to the daily swing chart, but momentum may beginning to shift to the downside with the formation of a two-day top at \$3.3220. A trade through \$3.3220 will signal a resumption of the uptrend. Copper is running into a slew of resistance levels from former tops from 2013, ranging from \$3.3055 to \$3.3580. The main range is \$2.9430 to \$3.3220. Its retracement zone at \$3.1325 to \$3.0880 is the primary downside target.

Market Watch

Open	\$3.254
High	\$3.284
Low	\$3.245
Close	\$3.281

(Prices as of January 3rd, 2018)

Moving Averages

5 DMA	\$3.272
10 DMA	\$3.263
14 DMA	\$3.178
50 DMA	\$3.112

Bollinger Band

Upper Band	\$3.1686
Middle Band	\$3.3886
Lower Band	\$2.9486

Support

Support 1	\$3.233
Support 2	\$3.213

Resistance

Resistance 1	\$3.276
Resistance 2	\$3.299

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NATURAL GAS

Natural gas traders drifted a little bit lower for the session, reaching down to the \$2.96 handle. I think eventually, we will probably break down, but I don't know if we're going to bounce in the short term. After all, there was a gap in this general vicinity, so that could attract traders.



TECHNICAL

I think that a breakdown below the \$2.93 level signals that we are ready to go much lower, perhaps reaching towards the \$2.85 level, and then eventually the \$2.75 level. Ultimately, I think that every time we rally, you should be looking for a selling opportunity, mainly because the natural gas markets have not been able to keep gains, even during this time of year which is almost always bullish.

Market Watch

Open	\$3.015
High	\$3.070
Low	\$3.015
Close	\$3.033

(Prices as of January 3rd, 2018)

Moving Averages

5 DMA	\$3.028
10 DMA	\$2.883
14 DMA	\$2.784
50 DMA	\$2.932

Bollinger Band

Upper Band	\$2.7898
Middle Band	\$3.1014
Lower Band	\$2.8244

Support

Support 1	\$2.968
Support 2	\$2.916

Resistance

Resistance 1	\$3.064
Resistance 2	\$3.108

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BRENT OIL

Brent markets went slightly sideways initially during the trading session on Wednesday, but then shot towards the \$67.50 level. I believe that we are showing the signs of exhaustion, and I think that a pullback from there is an opportunity to go long, as we should then go to the \$70 handle. The \$66 level underneath looks likely to be a bit of a “floor”, and at this point I think Brent will continue to attract buyers on these dips.



TECHNICAL

Ultimately, I think that the market will continue to go higher based upon hedge fund ramblings, and of course the concerns about the Middle East. The US dollar continues to fall, and that of course helps Brent just as it does the WTI market.

Market Watch

Open	\$67.85
High	\$68.27
Low	\$67.81
Close	\$68.22

(Prices as of January 3rd, 2018)

Moving Averages

5 DMA	\$67.26
10 DMA	\$66.45
14 DMA	\$64.78
50 DMA	\$63.36

Bollinger Band

Upper Band	\$64.7755
Middle Band	\$68.7069
Lower Band	\$60.8441

Support

Support 1	\$67.11
Support 2	\$65.96

Resistance

Resistance 1	\$68.72
Resistance 2	\$69.18

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INDICES RESEARCH

US Equity Industrial Index

The Dow Jones 30 rallied significantly during the trading session on Wednesday, but found enough resistance at the 24,900 level to roll over and show signs of negativity. There is plenty of support below though, and I think that if we can drop from here, we will probably go down to the 24,750 level.



TECHNICAL

I think that eventually; the buyers will get involved and reach towards the 25,000 handle. Ultimately, this is a market that is bullish, and I think it will continue to be so, but we have the jobs number coming out on Friday and that will have a massive influence on this market.

Market Watch

Open	\$24850.45
High	\$24941.92
Low	\$24825.55
Close	\$24922.55

(Prices as of January 3rd, 2018)

Moving Averages

5 DMA	\$24815.43
10 DMA	\$24784.11
14 DMA	\$24606.61
50 DMA	\$23979.53

Bollinger Band

Upper Band	\$24606.63
Middle Band	\$25072.83
Lower Band	\$24140.43

Support

Support 1	\$24762.77
Support 2	\$24690.99

Resistance

Resistance 1	\$24885.26
Resistance 2	\$24935.97

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US Equity 500 Index

The S&P 500 went sideways during the trading session initially during the day on Wednesday, but eventually broke out above the 2700 level, which of course is a very bullish sign. Now that we have broken above there.



TECHNICAL

I think it's only a matter of time before the S&P 500 goes higher, and the pullbacks should represent value that people are willing to take advantage of. Longer-term, I anticipate that the market is probably going to go to the 2725 handle, but we have the jobs number coming out on Friday and that of course can cause a bit of volatility. I am not a seller this market, and I believe that even if we found support at the 2695 handle, I'd be willing to buy there as well. No shorting between now and Friday, it would take a catastrophic jobs number for me to get shorting this market as we have seen so much in the way of positivity.

Market Watch

Open	\$2697.85
High	\$2714.37
Low	\$2697.77
Close	\$2713.06

(Prices as of January 3rd, 2018)

Moving Averages

5 DMA	\$2690.53
10 DMA	\$2686.18
14 DMA	\$2670.70
50 DMA	\$2622.84

Bollinger Band

Upper Band	\$2670.70
Middle Band	\$2714.02
Lower Band	\$2627.37

Support

Support 1	\$2689.05
Support 2	\$2678.94

Resistance

Resistance 1	\$2702.58
Resistance 2	\$2706.00

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US Equity NSDAQ 100 Index

The NASDAQ 100 went sideways during most of the session on Wednesday, but by clearing the 6500 level during the previous session, the market was free to go higher, which is exactly what we saw next. The market reach towards the 6560 handle, an area that has very little in the way of importance, so I think that when we pull back from here, there will be plenty of buyers underneath getting involved.



TECHNICAL

I think that the 6500-level underneath should be massively supportive, and I would be a buyer on pullbacks to that area. If we break out to the upside, the market should then go to the 6600 level. We are in a longer-term uptrend, and I think that should continue going forward.

Market Watch

Open	\$6520.03
High	\$6579.25
Low	\$6519.26
Close	\$6575.80

(Prices as of January 3rd, 2018)

Moving Averages

5 DMA	\$6472.03
10 DMA	\$6468.43
14 DMA	\$6422.25
50 DMA	\$6337.38

Bollinger Band

Upper Band	\$6422.25
Middle Band	\$6574.65
Lower Band	\$6269.84

Support

Support 1	\$6463.70
Support 2	\$6393.09

Resistance

Resistance 1	\$6558.97
Resistance 2	\$6583.63

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Date		Currency		Forecast	Previous
FriJan 5	4:50am	JPY	Monetary Base y/y	13.00%	13.20%
	5:01am	GBP	BRC Shop Price Index y/y		-0.10%
	5:30am	AUD	Trade Balance	0.55B	0.11B
	12:00pm	EUR	German Retail Sales m/m	1.00%	-1.20%
	12:45pm	EUR	French Prelim CPI m/m	0.30%	0.10%
	1:00pm	CHF	Foreign Currency Reserves		738B
	2:10pm	EUR	Retail PMI		52.4
	3:00pm	EUR	CPI Flash Estimate y/y	1.40%	1.50%
		EUR	Core CPI Flash Estimate y/y	1.00%	0.90%
		EUR	PPI m/m	0.30%	0.40%
		EUR	Italian Prelim CPI m/m	0.20%	-0.20%
	6:30pm	CAD	Employment Change	2.5K	79.5K
		CAD	Trade Balance	-1.2B	-1.5B
		CAD	Unemployment Rate	6.00%	5.90%
	USD	Average Hourly Earnings m/m	0.30%	0.20%	
	USD	Non-Farm Employment Change	188K	228K	
	USD	Unemployment Rate	4.10%	4.10%	
	USD	Trade Balance	-49.7B	-48.7B	
8:00pm	CAD	Ivey PMI	62.2	63	
	USD	ISM Non-Manufacturing PMI	57.6	57.4	
	USD	Factory Orders m/m	1.10%	-0.10%	
10:30pm	USD	FOMC Member Mester Speaks			

