

CURRENCIES

USD/CAD

The US dollar has spent the last couple of days exploding against the Canadian dollar, but Monday was a little tamer than what we have seen as of late. The 1.25 level above is a major barrier, so if we can break above that level I think that the pair could go much higher, perhaps reaching towards the 1.29 level as it has offered significant resistance in the past. Alternately, if we pull back from here, I think there is plenty of support near the 1.2350 level, and therefore I think that if we drop from here, we could find value hunters coming back into the marketplace.

AUD/USD

The Australian dollar bounced from the significant 0.79 level on Monday, as the market has gotten a bit oversold. It looks as if we are trying to reach towards the 0.80 level, an area that has been very important over the longer term, as it has been a fulcrum for price going back decades. In fact, I look at this as an area that is bordered by the 0.81 level above, and the 0.79 level on the bottom. Essentially this is a 200 Pip range that we are finding ourselves bouncing around in. The next trade is simply a matter of following which way the market reacts to these levels, as it should matter longer term.

USD/CHF

We start with the Euro/Dollar, which has R1 of 1 2540 and S1 of 1 2430. R1 leads in resistance with 7 confirmations, including a price channel indicator upper line and a 2 year high. R2 follows with 2 confirmations and it's a Bollinger upper band. There's just a single match for R3. S2 posts 7 confirmations. 5 studies are near S1 and S3 has found 3 matches, including a 20 day moving average. The Cable has been trending towards R1 of 1 4280 and away from S1 of 1 4210. A 12 month high and a price channel indicator upper line both are among the 7 confirmations for R2. R1 has found 4 matches and only Bollinger upper band is near R3. S2 sees 3 confirmations. 2 studies are near S1 and S3 is a psychological level.

Market Watch

USD/CAD

Open	1.2534
High	1.2565
Low	1.2525
Close	1.2532

(Prices as of February 5th, 2018)

AUD/USD

Open	0.7877
High	0.7891
Low	0.7835
Close	0.7859

(Prices as of February 5th, 2018)

USD/CHF

Open	0.9337
High	0.9341
Low	0.9335
Close	0.9341

(Prices as of February 5th, 2018)

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CURRENCIES

USD/JPY

The Dollar/Yen plunged on Monday, dragged down as U.S. Treasury yields fell from four-year highs on Monday after the steep sell-off in equity markets sparked demand for lower-yielding debt. The USD/JPY settled at 109.133, down 1.004 or -0.91%. The liquidation in the stock market also drove the Japanese Yen higher because of the carry trade. Investors aggressively sold stocks priced in U.S. Dollars then paid back bank loans priced in Japanese Yen. This action drove down the dollar and fueled a rally in the Yen.

EUR/USD

The EUR/USD pair is resistant above, as it is a large, round, psychologically significant level that will attract a lot of attention. If we can break above the 1.25 handle for a couple of hours, it's likely that the buyers will jump into this market and continue to push towards the 1.26 level next. This pair is very technically driven, and as you can see there have been reactions to every large handle. The 1.25 level is a bit more psychologically important than some of the other ones around this area, so it makes sense that we will see a lot of noise around that area.

GBP/USD

GBP/USD is performing in a much similar fashion as EUR/USD, with the major trend being also ascending, and both impulse and pullbacks resembling too much. The only difference, for now, is that GBP/USD did succeed in breaking out the ascending channel support, which can lead the pair towards the projection channel support at 1.3890. Still, we know the market is a very volatile thing, and the price may well return to the ascending channel again, too, which would signal the further movement and the resistance breakout at 1.4280. Once this breakout occurs, the price may reach the long-term trend resistance at 1.4810.

Market Watch

USD/JPY

Open	109.07
High	109.31
Low	108.46
Close	109.12

(Prices as of February 5th, 2018)

EUR/USD

Open	1.2366
High	1.2404
Low	1.2351
Close	1.2393

(Prices as of February 5th, 2018)

GBP/USD

Open	1.3944
High	1.3985
Low	1.3983
Close	1.3970

(Prices as of February 5th, 2018)

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CURRENCIES**EUR/GBP**

The EUR/GBP pair has rallied rather stringently over the last couple of sessions, as we have seen buyers jump into this market yet again. This market will of course be very difficult and noisy over the next several weeks, if not months, as the negotiations between the European Union and the United Kingdom continue. I believe that this is going to be one of the more difficult currency pairs to trade, at least in the near term. However, given enough time I anticipate that the market will decide which direction to go once the negotiations are done, or at least it looks as if we are heading towards a resolution.

EUR/JPY

Euro/Dollar's hourly chart shows mixed results. Mid and long terms both have mostly green signals, which is in line with the 35% long interbank sentiment. The Cable's short term brings 5 sell prompts. Midterm outlook shifts to neutral and daily range is mostly green. The only 5% short interbank is neutral, just like the 4-hour studies. Dollar/Yen's 1 and 4 hour charts have 4 and 7 buy prompts respectively. Long term outlook is mixed. Interbank stance is strongly bearish at 38% short.

GBP/JPY

The British pound has gone sideways initially during the day on Monday, but then broke down below the 155 handle, reaching down towards the 154 level. I still see the 155 level as ultimately important, and therefore it will attract a lot of attention. If we can clear the 155.40 level, then I think we will not only reach the highs again but go much higher after that. Longer-term, the market should then go to the 160 handle, and then eventually the 162 level as the longer-term chart seem to dictate.

Market Watch**EUR/GBP**

Open	0.8871
High	0.8873
Low	0.8856
Close	0.8872

(Prices as of February 5th, 2018)

EUR/JPY

Open	134.88
High	135.29
Low	133.99
Close	135.21

(Prices as of February 5th, 2018)

GBP/JPY

Open	152.08
High	152.62
Low	151.21
Close	152.37

(Prices as of February 5th, 2018)

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Crude Oil

Crude oil markets rally during the trading session on Thursday, as we await the jobs number today. Crude oil markets are heavily influenced by the jobs number, so it is likely that we will see a bit of volatility.



TECHNICAL

I believe that the market will eventually find reasons to go higher, but longer-term it's likely that the support will come back into the market and give you an opportunity to pick up a bit of value. However, if we were to break down below the \$62 level, then I think the market could fall apart. If you want to sell crude oil, you have already missed the move.

Market Watch

Open	\$63.59
High	\$63.66
Low	\$63.30
Close	\$63.62

(Prices as of February 5th, 2018)

Moving Averages

5 DMA	\$64.69
10 DMA	\$65.05
14 DMA	\$64.65
50 DMA	\$61.74

Bollinger Band

Upper Band	\$64.49
Middle Band	\$66.24
Lower Band	\$62.75

Support

Support 1	\$62.85
Support 2	\$62.12

Resistance

Resistance 1	\$64.85
Resistance 2	\$66.12

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GOLD

Gold markets rallied a bit during the trading session on Monday, as we have reached as high as \$1339. We pulled back a bit since then, as we are trying to find the floor in the market



TECHNICAL

I think that we are trying to accumulate a bit of bullish pressure, but it is going to be very difficult to do. Once we do get the bullish pressure though, and more importantly once we break above the \$1340 level, the market should then go looking towards the \$1350 level above. A break above there sends this market much higher, and I believe opens the doors to the \$1400 level which is vital.

Market Watch

Open	\$1343.30
High	\$1349.10
Low	\$1338.70
Close	\$1345.60

(Prices as of February 5th, 2018)

Moving Averages

5 DMA	\$1341.90
10 DMA	\$1344.49
14 DMA	\$1343.29
50 DMA	\$1310.82

Bollinger Band

Upper Band	\$1341.15
Middle Band	\$1364.23
Lower Band	\$1318.08

Support

Support 1	\$1335.16
Support 2	\$1326.93

Resistance

Resistance 1	\$1348.06
Resistance 2	\$1352.73

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SILVER

Silver markets continue to be very difficult to deal with, as we had initially rally during the trading session on Monday, reaching as high as the \$16.90 handle.



TECHNICAL

We rolled over from there, showing signs of weakness again as the Americans sold off the stock markets, crypto currencies got absolutely crushed, and of course the bond markets were out of kilter. This is a market that is selling off in fear more than anything else, and I think we are going to go down to the \$16.50 level next. That's an area that should be supportive, and if we were to break down below there, the market probably goes looking towards the \$16 level after that.

Market Watch

Open	\$16.74
High	\$16.95
Low	\$16.68
Close	\$16.83

(Prices as of February 5th, 2018)

Moving Averages

5 DMA	\$16.78
10 DMA	\$17.03
14 DMA	\$17.09
50 DMA	\$16.80

Bollinger Band

Upper Band	\$17.10
Middle Band	\$17.55
Lower Band	\$16.65

Support

Support 1	\$16.58
Support 2	\$16.41

Resistance

Resistance 1	\$16.88
Resistance 2	\$17.02

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COPPER

March Commix High Grade Copper futures finished lower on Monday as “risk off” sentiment drilled the equity markets and safe-haven buying lifted the U.S. Dollar.



TECHNICAL

In other news, traders noted that the import window for copper into China is open, potentially supporting prices, however, the market saw limited inflows as investors may not want to take out new long positions ahead of the Chinese Lunar New Year holidays which start February 15.

Market Watch

Open	\$3.18
High	\$3.19
Low	\$3.16
Close	\$3.18

(Prices as of February 5th, 2018)

Moving Averages

5 DMA	\$3.18
10 DMA	\$3.18
14 DMA	\$3.18
50 DMA	\$3.17

Bollinger Band

Upper Band	\$3.18
Middle Band	\$3.25
Lower Band	\$3.12

Support

Support 1	\$3.15
Support 2	\$3.12

Resistance

Resistance 1	\$3.23
Resistance 2	\$3.28

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NATURAL GAS

Natural gas markets went sideways initially on Monday, but as the Americans came on board, they started to push the market lower. We finally broke down below the \$3.00 level, which of course has a certain amount of psychological importance attached to it.



TECHNICAL

I believe at this point any rally is a selling opportunity, and that the “ceiling” in the market, Lee short-term, has moved down to the \$3.10 level. Signs of exhaustion after short-term rallies should be a nice selling opportunity, and I think that the sellers will continue to punish this market as we are exiting the coldest part of the year in the futures markets for the United States.

Market Watch

Open	\$2.77
High	\$2.78
Low	\$2.75
Close	\$2.77

(Prices as of February 5th, 2018)

Moving Averages

5 DMA	\$2.81
10 DMA	\$3.04
14 DMA	\$3.16
50 DMA	\$2.96

Bollinger Band

Upper Band	\$3.16
Middle Band	\$3.65
Lower Band	\$2.66

Support

Support 1	\$2.71
Support 2	\$2.65

Resistance

Resistance 1	\$2.85
Resistance 2	\$2.94

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BRENT OIL

Sellers didn't seem to be too concerned about any specific oil-related fundamentals. Their focus appeared to be on the downside momentum being generated by the stock market sell-off.



TECHNICAL

Brent crude oil is the most bearish futures contract. Its trend is down according to the daily chart. If the downside momentum continues, the selling could extend into \$66.03 to \$64.91. The WTI futures contract also changed its trend to down on Monday. This occurred when sellers took out \$63.67. If the downside momentum continues then look for the selling to extend into the next main bottom at \$62.78. This price is a possible trigger point for an acceleration into at least \$61.37.

Market Watch

Open	\$67.12
High	\$67.20
Low	\$66.83
Close	\$67.28

(Prices as of February 5th, 2018)

Moving Averages

5 DMA	\$68.30
10 DMA	\$69.14
14 DMA	\$69.27
50 DMA	\$66.56

Bollinger Band

Upper Band	\$69.27
Middle Band	\$71.12
Lower Band	\$67.41

Support

Support 1	\$66.40
Support 2	\$65.89

Resistance

Resistance 1	\$67.94
Resistance 2	\$68.97

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INDICES RESEARCH

US Equity Industrial Index

The Dow Jones 30 market went back and forth during the trading session on Monday, but then sliced through the vital 25,000 handle. This is a very psychologically significant move



TECHNICAL

I would also point out that the volume wasn't as high as it was on Friday, and that tells me that even if we do fall from here, it is only a matter of time before the buyers get back in. We are in a very strong uptrend, and even though the selloff has been rather brutal, we are still more than likely going to find value hunters come into this market place. Quite frankly, the lower this market goes the happier I am. This is because I know that sooner rather than later, I should find an opportunity to go long of a market that has plenty of value underneath. I would wait for a supportive daily candle before buying though, so assume that for the next 24 hours I am on the sidelines.

Market Watch

Open	\$25337.87
High	\$25520.53
Low	\$23923.88
Close	\$24345.75

(Prices as of February 5th, 2018)

Moving Averages

5 DMA	\$25655.30
10 DMA	\$26018.84
14 DMA	\$25890.85
50 DMA	\$25031.14

Bollinger Band

Upper Band	\$25891.00
Middle Band	\$26915.11
Lower Band	\$24866.89

Support

Support 1	\$25320.49
Support 2	\$25120.01

Resistance

Resistance 1	\$25891.62
Resistance 2	\$26262.27

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US Equity 500 Index

The S&P 500 has sold off rather drastically during the trading session on Monday, as we are starting to reach towards the 2700 level.



TECHNICAL

The reason I have this chart so zoomed out is that the 2700 level should be an area of interest. We are getting a bit oversold, so I would expect some type of stability near this level, but I also can clearly see that if we break down below 2680, we go much further.

Market Watch

Open	\$2620.50
High	\$2637.75
Low	\$2530.00
Close	\$2633.25

(Prices as of February 5th, 2018)

Moving Averages

5 DMA	\$2714.75
10 DMA	\$2482.88
14 DMA	\$2799.03
50 DMA	\$2740.91

Bollinger Band

Upper Band	\$2793.22
Middle Band	\$2920.81
Lower Band	\$2665.65

Support

Support 1	\$2556.50
Support 2	\$2492.75

Resistance

Resistance 1	\$2723.50
Resistance 2	\$2826.75

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US Equity NSDAQ 100 Index

The NASDAQ 100 has been very volatile on Monday, reaching as high as 6800, and then rolled over to show signs of exhaustion.



TECHNICAL

The US stock markets continue to get pummeled, and the NASDAQ 100 of course is no different. However, it's likely that we will continue to see rally sold, at least until we can break above the 6800 level, or if we can get some type of daily candle that shows massive amounts of bullish pressure or at least stability. At this point, I believe that we are probably going to see lower levels.

Market Watch

Open	\$6452.75
High	\$6508.75
Low	\$6262.00
Close	\$6498.75

(Prices as of February 5th, 2018)

Moving Averages

5 DMA	\$6666.30
10 DMA	\$6829.95
14 DMA	\$6846.02
50 DMA	\$6654.24

Bollinger Band

Upper Band	\$6824.53
Middle Band	\$7126.69
Lower Band	\$6522.19

Support

Support 1	\$6288.84
Support 2	\$6126.92

Resistance

Resistance 1	\$6712.84
Resistance 2	\$6974.92

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Date	1:51pm	Currency		Forecast	Previous
WedFeb					
7	2:45am	NZD	Employment Change q/q	0.004	0.022
		NZD	Unemployment Rate	0.047	0.046
		NZD	Labor Cost Index q/q	0.005	0.007
	3:30am	AUD	AIG Construction Index		52.8
	5:00am	JPY	Average Cash Earnings y/y	0.007	0.009
	10:00am	JPY	Leading Indicators	1.081	1.083
	12:00pm	EUR	German Industrial Production m/m	-0.004	0.034
	12:45pm	EUR	French Trade Balance	-4.8B	-5.7B
	1:00pm	CHF	Foreign Currency Reserves		744B
	1:30pm	GBP	Halifax HPI m/m	0.003	-0.006
	2:00pm	EUR	Italian Retail Sales m/m	-0.004	0.011
	Tentative	EUR	German 10-y Bond Auction		0.54 1.1
	6:30pm	CAD	Building Permits m/m		-0.077
		USD	FOMC Member Dudley Speaks		
	7th-8th	USD	Mortgage Delinquencies		0.0488
	8:30pm	USD	Crude Oil Inventories		6.8M
	11:01pm	USD	10-y Bond Auction		