

12 Dec 2017

Special Report on

COMMODITY

[Gold]

Sentiment	Bearish (Rs.)
Industry	Gold
Sell below	28200
Stop loss above	28800*
Target	27480–26850–26150

*Stop loss based on closing basis.

Gold (Comex)

CMP: \$1248 Outlook: Bearish



We have seen downside trend in gold as crashed vertically from its immediate top of \$1362.40 made on Sep'17 and tested a fresh low of \$1244.40 during last week and now trading around \$1250 mark.

Following developments on the weekly chart, Support is seen at \$1244 while, Resistance is noticed at \$1290--\$1308 zone. Here we are expecting pessimistic path for gold over the short to medium term trend as chances are very high for downside move in it. Three consecutive closes + weekly close below \$1244 will take it towards \$1212--\$1172 and then \$1125 mark in weeks to come, further downside panic will see if closes below \$1125 mark.

On the technical front, as visible it is clearly showing that prices taking strong support of \$1244 along with getting support from its 200 DMA. MACD also showing a negative posture along with CCI which is still hovering in the bearish territory. RSI trading in a neutral zone. Above facts clearly indicating if prices unable to breach and close below 1244 decisively then we can expect a sharp bounce back in it.

Traders can initiate fresh sell position only on close below \$1244 with immediate hurdle of \$1290 for the ultimate target of \$1172--1125 mark in near term. Alternatively, Decisive break and close above \$1308 will be a chance for bull traders in the bullion market to make potential profit in it.

Gold (MCX)

CMP Rs.28350



Following developments on the weekly chart, we have seen vertical crash from Rs.30690 (Made in Sep'17) and tested a fresh low of Rs.28471 in last week. While writing it is trading around Rs.28350.

On the Technical front, Support is seen at Rs.28200 while, Resistance is noticed at Rs.28800–29300 mark. Initially, prices taking support of its rising trend line (Initiated from 26860) along with its 200 MA which is valued near Rs.28200 and if prices manage to break and close below 28200 then extreme weakness can be seen in the prices till Rs. 27480–26850 and then Rs.26150 mark in near term. Technical oscillators like, MACD, CCI showing bearish postures while, and RSI-14 trading at neutral territory. Alternatively. On the higher side Rs.28800–29300 showing a strong hurdle zone in the chart. Inability to breach its support of Rs.28200 may provide a chance of bounce back in prices from current levels which will take it towards immediate upside hurdle zone (Mentioned) where further closing will set its next move in it.

Traders don't go for aggressively buying at this levels as we expect further downside in it. Fresh selling can be initiated on break and close below Rs.28200 with immediate stop loss above Rs.28800 (closing basis) for the lower target of Rs.27480–26850 mark in days to come. If anything reversal seems we will update.

Dollar Index

CMP: 93.76

Outlook: Bullish



DXY has a strong support of 92.50 and Resistance is at 94.50. Overall trend looks positive, Break and sustain above 94.50 will take it to 95.70—96.50 and then to 99.00++ mark in days to come else could touch its support level of 92.50. Dollar index is trading above its 21 and 55 DEMA (stood at 93.70 and 93.50 respectively) which indicate upside momentum is certain in it. Bottom out pattern seen on chart recent low of 92.50 is very crucial in it, while RSI and MACD showing positive momentum too. We'll expect upside move in near term as Yellow metals almost traded inversely with dollar Index.

Trading Recommendation:

Sell Gold below Rs.28200 with stop loss above 28800 on closing basis for the initial target of Rs.27480—26850 and then to Rs.26150 mark.

*If required can rollover the position.

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