

06<sup>th</sup> - 10<sup>th</sup> January, 2014

## MCX GOLD (Feb'14) OVERVIEW & TECHNICAL OUTLOOK

Exchange	Close	Prev. Close	% change
<b>MCX</b>	28972	28564	1.43
<b>London Spot</b>	\$1,236.58	\$1,213.08	1.94

### Next Week's Outlook and Technical Recommendation



Gold rebounded this week on improved demand from China amid caution trading ahead of United States FOMC minutes release, nonfarm payroll and unemployment rate data. China will celebrate Lunar New Year is on Jan 31. It is traditionally considered auspicious to gift gold on New Year; this will underpin prices for the next week also. However, sharp gain in the yellow metal prices may be capped as investors may avoid taking huge bets ahead of Federal Open Market Committee (FOMC) meeting outcome and job data which may provide further cues over the pace of tapering \$85 billion monthly bond buying program.

Technically, MCX gold prices have retrieved after taking support of a long term moving average (EMA-100). And now they are expected to remain on the higher side. However, short term moving averages resistance may put some pressure on the prices but still a hammer candle stick formation with increasing volume may take prices on the higher side only. Prices are expected to resistance around 29640 (previous swing) and 30500.

#### Recommendation:

**MCX Gold Feb'14: Buy at 28800-825 with STRICT SL Below 28600 Targets 29250/29500.**

Gold (Feb'14)	1	2	3
<b>Resistance</b>	29576	29992	30743
<b>Support</b>	28409	27658	27242

## MCX SILVER (Mar'14) OVERVIEW & TECHNICAL OUTLOOK

Exchange	Close	Prev. Close	% change
<b>MCX</b>	45340	45154	0.41
<b>London Spot</b>	\$20.14	\$20.04	0.50

### Next Week's Outlook and Technical Recommendation



Silver retreated after making a low of \$ 18.62(Rs 42435\*) in international market and settled almost flat at \$20.14(Rs 45475\*); against last week's opening of \$ 20.08 (Rs 44829\*) (In Indian market silver prices have gained around 0.70% due to weakness in INR). Silver prices have retreated in line with our last week's expectations. In the coming week we have number of important US data in pipe line which might put pressure on bullion prices.

Technically, MCX Silver is looking quite indecisive as a high wave candle stick is formed out of last week's trading. Prices are resistance on the short and medium term exponential moving averages which may put some pressure on the prices for the initial session of the week. However, prices may remain on the higher node only as prices have settled above Rs 45300 which is crucial resistance levels on the intraday charts. We recommend low risk traders to stay away from the markets while high risk traders can go long on dips.

#### Recommendation:

**MCX Silver Mar'14: Buy in low quantity at 45200-250 with STRICT SL below 44600, Targets 46200/46700.**

Silver (Mar'14)	1	2	3
<b>Resistance</b>	46658	47840	49952
<b>Support</b>	43364	41252	40074

\*MCX India Prices

### MCX Copper (Feb): OVERVIEW & TECHNICAL OUTLOOK.

Exchange	Close	Prev. Close	% change
MCX	465.55	468.2	-\$0.57

#### Next Week's Outlook and Technical Recommendation



Sharp upside in the industrial metal prices may be capped as investors may trade in caution ahead of Chinese growth data (China consumer prices index (CPI), trade balance data, gross domestic product, and industrial production data) and US job numbers (Release from FOMC, nonfarm payroll data and unemployment rate) which may provide cues over demand from the world's top consumers of the base metals.

Technically, prices are sustaining far above the short and medium term moving averages short term correction in the copper prices. However, prices are expected to revert from the said moving averages levels as the medium term trend is still strong (shown in the chart by the upward trend line). The momentum indicator RSI (14) is seen at 0.59 ascending from the low of 0.52 indicating strength in the trend. We recommend buying in copper on dips.

#### Recommendation:

**MCX Copper Feb : Buy at 460-458 with STRICT SL below 452 Targets 474 & 482.**

Copper (Feb)	1	2	3
Resistance	472	478	481
Support	462	459	452

### MCX Crude oil (Jan): OVERVIEW & TECHNICAL OUTLOOK

Exchange	Close	Prev. Close	% change
MCX	273.2	273.4	-0.07

#### Next Week's Outlook and Technical Recommendation



Ongoing expectations for Libyan oil exports to resume to near normal levels sent prices falling due to the added supply they'd bring to the global market. Libyan oil operations faced glitches in the recent past due to protesters disrupting production at various oilfields. Expectations for increased exports from South Sudan also nudged prices lower. Oil prices largely ignored an otherwise bullish U.S. supply report.

Technically, Prices are coming down after retracing till 23.6% Fibonacci retracement of the prevailing downfall (as shown in the chart). Long black candle stick formation is further indication of bearish mode for the coming week. the momentum indicator RSI (14) is trading at 0.45 and is sustaining below is short term moving averages which is an indication of weakness in the trend.

#### Recommendation:

**MCX Crude oil Jan: Sell at 6020-6000 with SL below 6088 Targets 5880/5820.**

Crude oil (Jan)	1	2	3
Resistance	6143	6388	6519
Support	5767	5636	5391

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