

## Dollar plunged lower for the third straight session

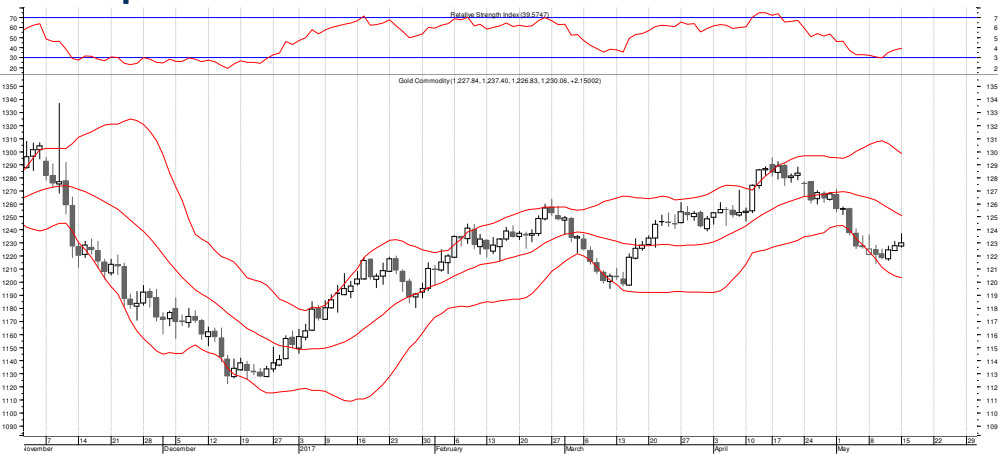
- **Gold supported by weaker dollar:** Gold prices rose on Monday, making a high of US\$1,237/oz as U.S. dollar and treasury yields continue to fall after last week's U.S. Retail sales and CPI data which eased the expectations for aggressive interest rate hikes this year. In addition, probability for a rate increase in June fell to 74% from 84% last week, according to the CME Fedwatch. However, technical analyst suggest prices might surge in a short term towards US\$1,245/oz.
- **Oil pushed higher on extension talks:** Oil prices continue to surge higher on Monday after top oil producers agreed to extend cuts until the end of March 2018 in order to support oil prices. However, experts believe that OPEC members who are exempted from the cuts will increase their oil production and this could largely offset the benefits of the extended cuts.

Reuters, CNBC

Time	Currency	Impact	Event	Forecast	Previous
<b>16<sup>th</sup> May Tuesday</b>					
1:30pm	GBP	High	CPI y/y	2.6%	2.3%
5:30pm	USD	High	Building Permits	1.27M	1.27M
5:30pm	USD	Medium	Housing Starts	1.26M	1.22M
6:15pm	USD	Medium	Capacity Utilization Rate	76.3%	76.1%
6:15pm	USD	Medium	Industrial Production m/m	0.4%	0.5%
<b>17<sup>th</sup> May Wednesday</b>					
1:30pm	GBP	High	Average Earnings Index 3m/y	2.4%	2.3%
1:30pm	GBP	Medium	Claimant Count Change		25.5K
1:30pm	GBP	Medium	Unemployment Rate	4.7%	4.7%
7:30pm	USD	High	Crude Oil Inventories		-5.2M

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

## Gold Spot



### Technical Strategy: Play the Range

Gold closed at US\$1,230/oz, above its 05-DMA which is at US\$1,224/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\$1,225/oz - US\$1,238/oz. A break below US\$1,225/oz could target US\$1,218/oz, while a break above US\$1,238/oz could target US\$1,248/oz.

Refer to important disclosures on page 3

16 May, 2017

Talha Mahmood  
talha.mahmood@bipsec.com  
BIPL Securities Limited  
+92 21 111 222 000

### Synopsis

Gold (Play the Range)	
2 <sup>nd</sup> Resistance	US\$1,248
1 <sup>st</sup> Resistance	US\$1,238
1 <sup>st</sup> Support	US\$1,225
2 <sup>nd</sup> Support	US\$1,218
Silver (Play the Range)	
2 <sup>nd</sup> Resistance	US\$17.00
1 <sup>st</sup> Resistance	US\$16.80
1 <sup>st</sup> Support	US\$16.40
2 <sup>nd</sup> Support	US\$16.20
WTI Spot (Play the Range)	
2 <sup>nd</sup> Resistance	US\$50.80
1 <sup>st</sup> Resistance	US\$50.00
1 <sup>st</sup> Support	US\$48.50
2 <sup>nd</sup> Support	US\$47.50

Source: BIPLS Technical Research

### Gold: Key Highlights

US\$/oz.	15-May	Change
Open	1227.84	-0.07
High	1237.40	9.49
Low	1226.83	-1.08
Close	1230.06	2.15

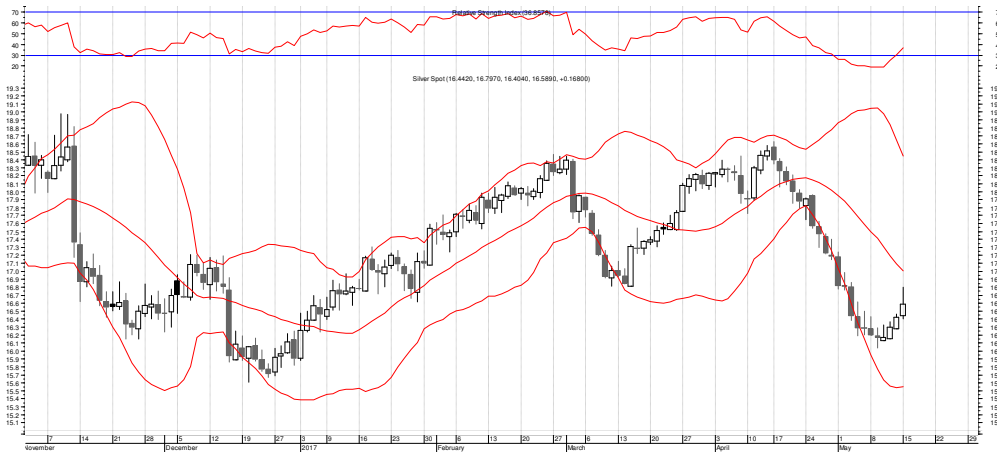
Source: Bloomberg

### Key Technical Indicators

Date	15-May	12-May	Change
30-DMA	1255.94	1256.55	-0.61
50-DMA	1245.45	1245.54	-0.09
200DMA	1247.60	1248.24	-0.64
9-D RSI	37.61	34.47	3.14
14-D RSI	39.57	37.78	1.80

Source: BIPLS Technical Research

## Silver Spot



### Technical Strategy: Play the Range

Silver closed at US\$16.59/oz, below its 14-DMA which is at US\$16.60/oz. 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\$16.40/oz - US\$16.80/oz. A break below US\$16.40/oz could target US\$16.20/oz, while a break above US\$16.80/oz could target US\$17.00/oz.

### Silver: Key Highlights

US\$/oz.	15-May	Change
Open	16.44	0.02
High	16.80	0.38
Low	16.40	-0.02
Close	16.59	0.17

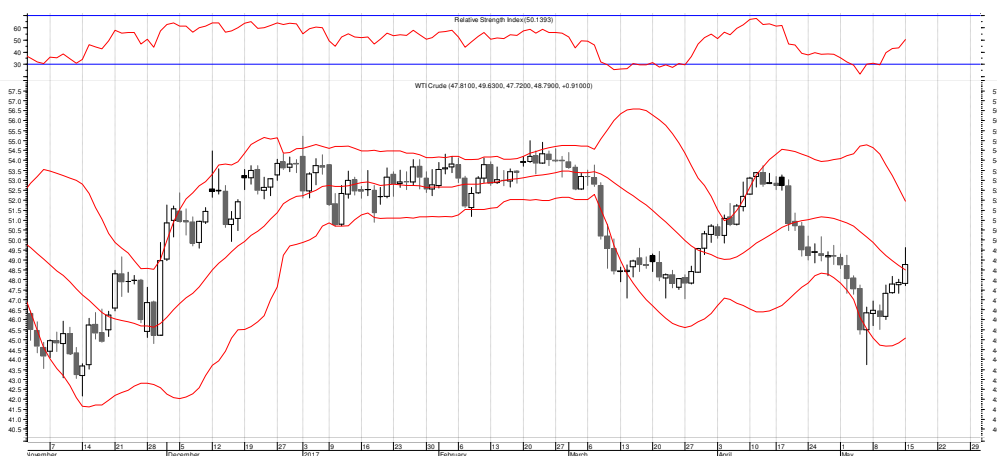
Source: Bloomberg

### Key Technical Indicators

Date	15-May	12-May	Change
30-DMA	17.42	17.48	-0.05
50-DMA	17.47	17.49	-0.03
200DMA	17.72	17.74	-0.02
9-D RSI	40.91	30.51	10.40
14-D RSI	36.86	30.39	6.47

Source: BIPL Technical Research

## WTI Spot (Crude Oil)



### Technical Strategy: Play the Range

Oil closed at US\$49.19/bbl, below its 200-DMA which is at US\$49.92/bbl. 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\$48.50/bbl - US\$50.00/bbl. A break below US\$48.50/bbl could target US\$47.50/bbl, while a break above US\$50.00/bbl could target US\$50.80/bbl.

### WTI Spot: Key Highlights

US\$/bbl	15-May	Change
Open	47.81	-0.07
High	49.63	1.75
Low	47.72	-0.16
Close	48.79	0.91

Source: Bloomberg

### Key Technical Indicators

Date	15-May	12-May	Change
30-DMA	49.71	49.77	-0.06
50-DMA	49.53	49.62	-0.09
200DMA	49.34	49.30	0.04
9-D RSI	56.08	47.05	9.02
14-D RSI	50.14	43.78	6.36

Source: BIPL Technical Research

## 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.

## Disclaimer

This research report is for information purposes only and does not constitute nor is it intended as an offer or solicitation for the purchase or sale of securities or other financial instruments. Neither the information contained in this research report nor any future information made available with the subject matter contained herein will form the basis of any contract. Information and opinions contained herein have been compiled or arrived at by BIPL Securities Limited from publicly available information and sources that BIPL Securities Limited believed to be reliable. Whilst every care has been taken in preparing this research report, no research analyst, director, officer, employee, agent or adviser of any member of BIPL Securities Limited gives or makes any representation, warranty or undertaking, whether express or implied, and accepts no responsibility or liability as to the reliability, accuracy or completeness of the information set out in this research report. Any responsibility or liability for any information contained herein is expressly disclaimed. All information contained herein is subject to change at any time without notice. No member of BIPL Securities Limited has an obligation to update, modify or amend this research report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. Furthermore, past performance is not indicative of future results.

The investments and strategies discussed herein may not be suitable for all investors or any particular class of investor. Investors should make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives when investing. Investors should consult their independent advisors if they have any doubts as to the applicability to their business or investment objectives of the information and the strategies discussed herein. This research report is being furnished to certain persons as permitted by applicable law, and accordingly may not be reproduced or circulated to any other person without the prior written consent of a member of BIPL Securities Limited. This research report may not be relied upon by any retail customers or person to whom this research report may not be provided by law. Unauthorized use or disclosure of this research report is strictly prohibited. Members of BIPL Securities and/or their respective principals, directors, officers, and employees and their families may own, have positions or affect transactions in the securities or financial instruments referred herein or in the investments of any issuers discussed herein, may engage in securities transactions in a manner inconsistent with the research contained in this research report and with respect to securities or financial instruments covered by this research report, may sell to or buy from customers on a principal basis and may serve or act as director, placement agent, advisor or lender, or make a market in, or may have been a manager or a co-manager of the most recent public offering in respect of any investments or issuers of such securities or financial instruments referenced in this research report or may perform any other investment banking or other services for, or solicit investment banking or other business from any company mentioned in this research report. Investing in Pakistan involves a high degree of risk and many persons, physical and legal, may be restricted from dealing in the securities market of Pakistan. Investors should perform their own due diligence before investing. No part of the compensation of the authors of this research report was, is or will be directly or indirectly related to the specific recommendations or views contained in the research report. By accepting this research report, you agree to be bound by the foregoing limitations.

BIPL Securities Limited and / or any of its affiliates, which operate outside Pakistan, do and seek to do business with the company(s) covered in this research document. Investors should consider this research report as only a single factor in making their investment decision. BIPL Securities Limited prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer/company prior to the publication of a research report containing such rating, recommendation or investment thesis.

BIPL Securities Limited endeavors to make all reasonable efforts to disseminate its publication to all eligible clients in a timely manner through either physical or electronic distribution such as mail, fax and/or email. Nevertheless, not all clients may receive the material at the same time.