

Weekly RUBBER Report – 3 Aug 2020

Market Fundamentals: Softening Dollar and the reassurance of U.S. Federal Reserve in lending support till year-end has provided support to Rubber prices last week. However, traders should be prudent as the greenback may begin to bounce for recovery in August while Crude prices remains toppish.

TOCOM Rubber closed at JPY163.60 /KG on Friday. Market traded higher as overall sentiment reacted to U.S. FOMC outcome. This week, we project the range to moving down after mid-week while contain from JPY160.00 – JPY168.00 /KG. The regional market sentiment in Shanghai and SICOM will play essential role in directing the Rubber trend in August.

SICOM Rubber closed at USD123.1 cts/KG on Friday. Market traded firmer amid short week as traders covered position for month-end. This week, we predict the trend will unwind lower while contain from USD118.0 – USD124.0 cts/KG range. Traders should stay alert in case the movement violates beyond the aforementioned range.

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Source: DAR Wong and Foo Rong from PWFOREX.com

Commodity Market Report – 3 Aug 2020

Gold prices slowed down in ascension last week though the prices moved near to USD2000 /oz benchmark. This week, it is crucial to observe the Dollar direction before making a call on Gold trend. Reading the market sentiment, we reckon the yellow metal might be prone to correct soon for technical digestion. Overall range will be contained from USD1920 – USD2000 /oz region.

WTI Crude prices did not move much last week despite the technical pattern has revealed some selling signals. This week, we shall remain unchanged in view on the market range from USD39.00 – USD42.00 /barrel but beware of falling beyond the aforementioned range. The potential Dollar recovery might trigger a plunge in Crude demand.

Silver prices traded sideways last week with top limited beneath USD26.00 /oz level. This week, we target the range to be contained from USD23.00 - USD26.00 /oz while the movement trade in mixed activity. The bullish sentiment may slow down temporarily and beware of a drop below the aforementioned range.

Crude Palm Oil (FCPO) Futures on Bursa Derivatives traded lower as traders took profit last week. Traders are worried of waning demand in coming months as foreign trades reduce. October20 Futures contract settled at RM2677 /MT on Friday.

This week, we have identified strong resistance at RM2720 /MT but falling beneath RM2550 /MT will initiate a new bearish sentiment. Beware of Crude trend in coming weeks as Dollar tends to strengthen.

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