

Weekly Report 10 Sep 2018

Gold prices traded in very tight range without directional trend while Dollar still remains stagnated. Some recovery in yellow metal is mostly due to technical recovery but limited at USD1210 /oz level. This week, we predict the range will continue to stay dormant from USD1190 - USD1210 /oz until we see a breakout. However, we have identified the next support and resistance level to emerge at USD1175 /oz and USD1225 /oz in case of striding into either direction.

WTI Crude prices fell from USD71 /barrel to USD67 /barrel before the weekend and contained in this range. The market movement is expected to be contained in the aforementioned range with a possible dip to test USD65 /barrel before another rebound emerges. Fundamentally, we are wary of trade war that might affect the China's demand but the effort of OPEC leaders in cutting production will balance the supply chain.

SET Index closed at 1689 region on Friday. Market fell off 1730 top as we predicted last week. Moving forward, we foresee the SET Index will continue to drawdown in coming weeks as long traders unwind their position. This week, the trend may consolidate from 1670 – 1710 in mixed sentiment with hind sight of decline. The USD/THB at 32.80 is rather neutral as the trading range is narrowing down. However, further weakening of Baht that fuels the up move in USD/THB might put a lid on SET Index in near future.

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