

Weekly Report 21 May 2018

Gold prices fell below USD1305 /oz support and reached USD1285 /oz bottom last week. Market has been oversold as panic demand rushes into greenback. This week, we forecast the yellow metal will be short-covered while the range is confined to USD1285 – USD1305 /oz region. We reckon the trend has to break beyond this constriction before the new directional headway can be gauged.

WTI Crude prices floated above USD71 /barrel last week together with Brent Crude. Conflict between European Union and U.S. Governments on restoration of Iran may create another possibility of trade war since the exemption of U.S. import tariff in European goods will end in May. Most market analysts predict Crude prices will reach above USD80 /barrel before year-end. This week, we forecast the market will thread high between USD69 – USD71 /barrel but piercing in either headway will lead a new directional trend.

SET Index closed at 1754 on Friday while the market traded in tight range. Support is seen at 1745 now and resistance is acting strong on 1775 area. The strong Dollar has pushed the USD/THB rate from 31.80 – 32.20 region but we foresee some selling forces will ambush at 32.50 level. This week, SET Index is likely to be contained from 1745 – 1775 range doing sideways mixed consolidation.

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