

December 27, 2017

Bottom Line: Entire metal and energy space showed a sharp rally on upside. The trend for Gold, Silver, Crude and Copper all remains positive over short term.

Latest Webinar - [How to trade Impulse pattern on Equity, Copper and Crypto?](#)

Latest interview- [Stock tips by Ashish Kyal post Gujarat Elections on Zee Business](#)

MCX Gold Continuous Daily chart:



MCX Gold Feb 60 mins chart:



Wave analysis:

In previous update for Gold we mentioned that **“one can trade Gold as per above method with 28500 as short term support and target of 28800.”**

Gold moved precisely as expected. We turned bullish as soon as the resistance of 28600 was taken out. We can clearly see the sharp rally from there and Gold touched the target of 28800 levels.

Normally we do not see much movement during the year end but this time prices of precious metals have continued to trend on upside. It seems traders are active even during the holiday season and are driving prices higher on thin volume.

We are now showing Fibonacci levels of the entire down move and the next resistance is now near 61.8% level which is at 29200 on upside. As prices are moving in the blue channel and is now near the upper end of the channel it is better to buy on dips. RSI has also entered into overbought zone and so move towards 28750 - 28700 can be used as buying opportunity.

In short, Gold trend remains positive and prices can move towards 29000 followed by 29200 levels. But buy on pullback towards 28750 with 28550 as stoploss for prudent risk reward setup.

MCX Silver continuous daily chart:



Silver 60 mins March contract chart:



Wave analysis:

In previous update for Silver we mentioned that **“Silver trend is now positive. Prices can move towards 50% Fibo retracement which is at 38300 levels.”** BANG ON!

Silver moved precisely as expected. Prices closed near 38300 levels on upside and is now approaching near the upper end of the channel.

Comex Silver had shown a very sharp up move from the lows of 15.65 and now reached towards 16.60 levels in just few days of time. This sharp move is not seen in MCX as INR appreciated against USD to some extent and thereby reducing the performance of MCX Silver. Comex Silver now has an important support near 16.40 and as long as this level is intact buy on dips will be ideal strategy.

As shown on hourly chart of MCX Silver, after forming a low in form of wave c prices are moving higher in a Zigzag pattern and is now near the upper end of the Channel. The movement is similar to that of Gold and therefore buy on dips strategy should be adopted.

In short, trend for Silver is positive and we can expect a move towards 38700 levels on upside. Dips towards 38200 - 38100 can be used as buying opportunity with 37800 as short term support.

MCX Crude daily chart:



MCX Crude Dec 60 mins chart:



Wave analysis:

In previous update we mentioned that **“Crude short term trend is positive with 3680 as support and trend towards 3780 can be expected!”**

Crude moved higher and even surpassed the highs of 3780 level. There was a sharp rise which broke the multi week channel resistance.

Crude formed a running correction in wave b as shown on hourly chart and therefore a sharp rally is seen in wave c. A running correction results into a strong positive breakout. Prices are now moving in wave iii of c. We can now expect some consolidation in form of wave iv which will provide another buying opportunity.

RSI has entered into overbought zone and fresh positions should be taken only on relieving this condition. Move towards 3810 can be used to create long positions with 3760 as support and target of 3860.

In short, Crude trend is positive and some consolidation cannot be ruled out. One can use buy on dips strategy as mentioned above.

MCX Copper Daily continuous chart:



MCX Copper 60 mins Feb chart



Waves Analysis:

Copper has continued to move higher in the form of wave v of Ending diagonal pattern. The trend will remain positive as long as prices stay above the low of previous bar.

As mentioned in earlier updates bar technique allows one to stay in direction of the trend unless prices prove otherwise by closing below the previous bar low. We can clearly see that in Copper prices have been protecting low of previous bar since 11 consecutive days. This is an amazing technique to ride the trend.

As shown on hourly chart, prices are near the upper end of the trendline. Break above 468 which is previous high will result into break above the upper trendline else some consolidation can be used to buy this metal.

In short, trend for Copper remains positive. From trading perspective any move towards 462 can be used as buying opportunity with 458 as stop and target of 468.

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