

## **Weekly RUBBER Report – 2 May 2016**

**Market Forecast:** Japanese Yen posts biggest weekly gain against Dollar in this year after Bank of Japan maintained its monetary policy unchanged. Major commodities such as precious metal and energy have appreciated though rubber still trade in range bound prices. Observe the U.S. Non-Farm Payroll this week to gauge rubber prices.

TOCOM RSS3 prices closed at JPY193.90 /kg on Friday right after hit 205.00 highs. Drastic change in USD/JPY direction with almost 600 points decline last week pulled down TOCOM rubber prices. Resistance will emerge at 201.00 while we foresee huge potential to see decline this week at 185.00 regions.

SICOM TSR20 prices closed at USD151.8 cts/KG on Friday. Technically, the trend needs to stay above 150.0 levels though we project strong resistance lies at 156.0 regions. Dropping beneath 150.0 levels will probably lead new selling forces to 140.0 as long traders liquidate for profits.

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**Source: DAR Wong and Foo Rong from PWFOREX.com**

## **Commodity Market Report – 2 May 2016**

Gold prices rallied up on Friday after submerging for 2 weeks. Yellow metal closed above 1290.00 for the weekend amid the slide in U.S. Dollar Index (USDIX). Bank of Japan refrains from adding more stimulus and pushes Yen to 6-month high against Dollar causing the USD/JPY to drop. Crude prices have traded higher above USD45.00 per barrel while Dow Jones Industrial Average (DJIA) closed 18,000 levels on Friday and might trigger new selling forces in coming week.

Gold prices resumed bullish trend on Friday and closed near to intra-week high above 1290.00 levels. This week, we reckon the trend may continue to conquer above 1300.00 as we predicted few weeks ago. Support will lie at 1270.00 areas in case of quick correction. Technically, we forecast the next target will aim at 1340.00 in near future.

WTI Crude prices have been recovering above USD30.00 per barrel since early March. Despite global supply glut, prices are still climbing while reacting to receding Dollar Index and short-covering activity. Technically, we reckon the range will move from USD40.00 – USD50.00 regions for time being in mixed sentiment. This week may be prone to either direction as uncertainty still looms in global market.

Silver prices have continued to ascend at faster rate than Gold when both rally. This week, we predict the market might do correction downward and make base at 16.50 regions. However, beware of fund flight out of stock market and move into precious metals. In case of piercing above 18.00, the trend may aim at 18.50 targets in line with Gold trading above 1310.00 levels.

Crude Palm Oil (FCPO) Futures on Bursa Derivatives declined on last Friday and hit the 7-week low. Export slows down and affect market demand. July contract closed at 2592 amid decline in open interest. This week, we foresee the trend will likely to recover at 2650 regions before another selling pressure kicks in. Support lies at 2550 levels.

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