

US Dollar Index Future (DXY) is extending its losses and short term trend has shifted to negative after it closed below 93.90. The reason behind the correction is the rise in Euro. Euro hit 2 week high as ECB officials are ready to discuss a timetable for ending its massive bond-buying program. Last Friday's better-than-forecast US jobs report solidified a June Fed rate hike so traders may believe this has been fully-priced into the DXY, making it time to square positions. Technically DXY has broken the 23.6% retracement and next target on the downside is 38.2% which comes at 92.54. In USDINR Fut June, 67.45 is important resistance. If the currency jumps above that, then we may see currency heading higher to 67.67 which is 38.2% retracement. Maximum downside we can see from here is 66.76 in Future but it needs to break 67 level. Currently, the trend is negative but will change if it closes above 67.45.

Short term gold remains under pressure because of strong US economy and US Dollar. It is trading under \$1300. Gold needs to break \$1307 which is its recent high and 200 day moving average. Traders should not start buying now anticipating bottom as gold has yet to make a bottom. However, there is silver lining for Gold as we anticipate rally near FOMC meeting or after because if we look at the money managers position and gold sentiment index, it is trading under 20. That means for every 4 bear there is 1 bulls. So sentiment is very much negative and we have not seen any panic selling yet. So historically we have seen gold bounce from these levels. Right now money managers net short position is lowest since Jan 19, 2016. Commercial net short position is lowest since Feb 2016. In MCX, we expect gold prices to bottom around 30600.

In Crude, the short-term trend could reverse after an OPEC meeting on June 22, with bulls regaining control of momentum as Venezuela's output falls and Iran faces U.S. sanctions. Hedge funds have increased their bets that oil prices will fall for a third consecutive week. The so-called short positions are now at their highest in about six months. The market has basically baked a one-million-barrels increase into the price of oil, and that discount could unwind if OPEC does not deliver a bigger increase. US shale oil is unable to fill global supply shortfall until late 2019 at earliest because of infrastructure constraints. Crude has broken the up trendline in NYMEX and we expect prices to take support around \$73.50 in Brent. In MCX it has strong support at 4300 and so we expect short bounce from 4300 as short term it is coming into oversold region.

Sell Nickel

Target: Rs 1,010

Stop loss: Rs 1,065

Nickel has been trending nicely since start of the May. However RSI_14 has shifted down after trading from overbought zone. It is currently trading at 67.61. The daily price action indicates momentum losing steam as Nickel is not participating with other base metal rally. There is emergence of shooting star at the top on daily chart and the gap between price and moving average is large. We expect prices to contract near its moving average. There is resistance near 1060 in form of the uptrendline on the recent highs. We recommend taking short position with target of 1010 and stop loss of 1065.

Buy Natural Gas**Target: Rs 200****Stop loss: Rs 187.50**

[Natural Gas](#) has moved out of its range from 160-180 and now is trading in range of 190-203. It is now near to its lower end of the range. We have multiple support near 191-190 in form of recent lows that are tested and 200 day moving average on daily chart. The rising trendline taken from the lows of 166.70 and 171.60 has been tested 5 times since mid march and prices have bounced from that level. At present it is at the support end of the trendline. We expect prices to bounce from this trendline and so we recommend taking long position with [target](#) of the upper range of 200 and [stop loss](#) of 187.5 closing basis.

Buy Silver**Target: Rs 40,500****Stop loss: Rs 39,400**

[Silver](#) is trading above 200 day moving average on daily chart. It is also trading above the uptrendline taken from the low of 37940 and 38432. Since past 3 trading session we are witnessing higher top and higher bottom indicating up trend has started picking momentum. It is trading near 61.8% retracement taken from the high of 41927 and low of 36672. The price action has consistently traded above 50% retracement since start of May and now it is near 61.8% indicating next resistance is at 78.6% which comes to 40800. So we expect the short term up trend to continue and advocate taking long position with target of 40500 and [stop loss](#) of 39400.

Disclaimer: The analyst may have positions in any or all the commodities mentioned above.