

DAILY FOREX & COMMODITIES FORECAST

28-02-2013



FOREX FORECAST MAJOR PAIRS

AUD/USD

CURRENT PRICE	EXPECTED HIGH	EXPECTED LOW	PIVOT POINT
1.0234	1.0261 , 1.0308	1.0196 , 1.0148	1.0220

AUD/USD	SMA 5	SMA 10	SMA 15
SIMPLE MOVING AVERAGES	1.0254	1.0273	1.0289
DIFFERENCE FROM PRICE (PIPS)	-20	-39	-55
DAYS SINCE PRICE TESTED SMA	1	2	2
GAP BETWEEN SMA 5, 10 & 15	35 Pips		

RELATIVE STRENGTH INDEX (RSI)	40	bearish
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BOLLINGER BAND	BOLLINGER BAND (UPPER)	BOLLINGER BAND (MIDDLE)	BOLLINGER BAND (LOWER)
Lower to Middle Band	1.0428	1.0308	1.0188

LUTFI MAGNET POINTS	WEEKLY M	MONTHLY M	QUARTERLY M	HALF YEARLY M	YEARLY M
	1.0261	1.0328	1.0390	1.0386	1.0217
SENTIMENT	Bearish	Bearish	Bearish	Bearish	Bullish

TECHNICAL AND FUNDAMENTAL ANALYSIS

Daily Technical Analysis:

AUD/USD has not tested SMA5 yesterday. Market SMAs are contracting in bearish sequence, whereas the pair is moving below all three SMAs.

RSI is showing bearish strength with 40% reading. RSI is moving in sideways direction below mid-level (50%).

Upper, Middle and Lower **Bollinger Bands** are moving in downward direction with expanding bands. The pair is moving between middle to lower bands, It shows bearish volatility is decreasing in the pair.

With **Lutfi Magnet Theory** market is 72% Bearish, while magnet theory with adjustments is showing market is 65% Bearish sentiment. Lutfi Magnet Theory and adjustments are showing Bearish sentiment in Aussie Dollar.

According to Trend line Analysis, for last three weeks the pair is sustaining between triple bottom support turned resistance level at 1.0330 and one top one bottom support level at 1.0243. Sustainable move on either side could give the pair a direction, on upside target would be 1.0446 and downward may take support at 1.0148.

From above Technical Analysis initial bias is bearish. On downside, the pair may take initial support from support level at **1.0196**; below this level may attempt downward support level at **1.0148**. While on higher side, might take resistance from weekly magnet point at **1.0261**, and Break there may increase bullish sentiment to test middle Bollinger band at **1.0308**.

Daily Fundamentals:

The Australian dollar was steady against the U.S. dollar on Wednesday, trading close to a four-and-a-half month low amid sustained concerns over the effect of the latest Italian parliamentary election on the debt crisis in the euro zone.

On Tuesday, the Italian election ended with no party or coalition in control of the Senate, raising the threat of a prolonged period of political instability and potentially reigniting the crisis in the euro zone.

Italian 10-bond yields rose to the highest level since December on Tuesday, climbing to 4.91% from 4.37% on Monday, while the yield on Spanish 10-year bonds rose to 5.5% from 5.1% on Monday.

Meanwhile, Federal Reserve Chairman Ben Bernanke defended the bank's easing program on Tuesday, saying that the benefits outweighed the possible costs. The comments came in testimony to the Senate on monetary policy.

In Australia, official data earlier showed that construction work done fell unexpectedly in the fourth quarter, ticking down 0.1% after a 1.9% increase in the previous quarter.

Analysts had expected construction work done to rise 1.5% in the last quarter.

In the U.S., official data showed that U.S. durable goods orders fell sharply in January, while a separate report showed that pending home sales rose more-than-expected.

The Commerce Department said durable goods orders dropped 5.2% in January, compared to expectations for a decline of 4.4%.

Core durable goods orders, which exclude volatile transportation items, rose 1.9% last month, compared to expectations for a 0.2% increase.

The National Association of Realtors said its pending home sales index rose by 4.5% in January, beating expectations for a 1.5% gain.

Here is schedule for today's important News:

HIA New Home Sales: Tentative: Home Sales is a leading economic indicator, as a new home is likely to be a consumer's largest purchase. The indicator has been on an upward trend, and jumped 6.2% in the January reading. The markets will be hoping for another strong reading in the upcoming release.

Private Capital Expenditure: at 05:30am. This key indicator measures business investment, an important component of the economy. The indicator has been on a worrisome downward spiral, and the markets are bracing for a smaller gain this time around, with an estimate of 1.1%.

Private Sector Credit: at 05:30am. This indicator measures the amount of new credit issued to businesses and consumers. It is an important measure of consumer and business sentiment, which is critical for economic growth. The indicator has been posting very gains in recent

months, and the estimate for the upcoming release stands at 0.3%.

US GDP: at 06:30pm. The initial release of US GDP for Q4 2013 was a big disappointment as the economy reportedly contracted by 0.1%, mostly due to a sharp fall in government spending. As the strong growth in Q3 was probably overstated, the first report for Q4 was probably understated. A smaller trade balance deficit and other factors raise the expectations and an upwards revision to 0.5% is now expected.

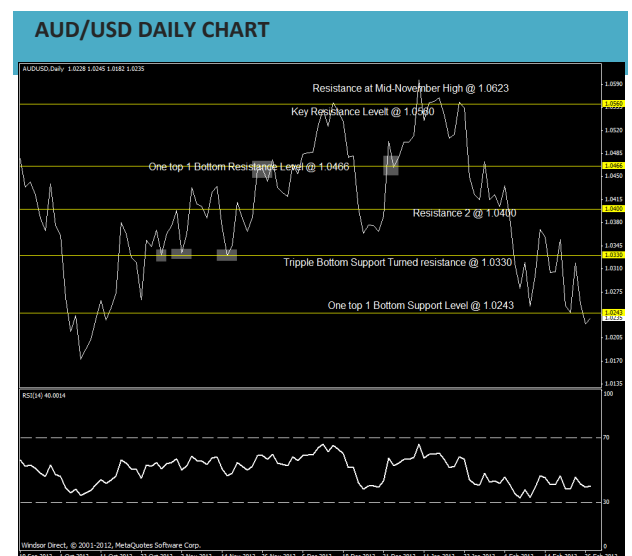
US Unemployment Claims: at 06:30pm. US unemployment claims increased 20,000 last week reaching 362,000 supporting the Federal Reserve position of maintaining its stimulus plan. The reading was above market expectations of 353,000. The unsteady state of the US job market may convince some Fed policymakers that continuing the QE is mandatory. A minor decline to 361,000 is forecast.

AUD/USD Yesterday:

Yesterday, AUD/USD opened the day at 1.0228. Initially the pair moved upward and attempted high at 1.0245 and then fell down below 1.0200 level at 1.0182. As the support at 1.0200 held firm, Aussie retraced back again and closed the day at 1.0235.



55%
Bearish



EUR/USD

CURRENT PRICE	EXPECTED HIGH	EXPECTED LOW	PIVOT POINT
1.3124	1.3167 , 1.3201 , 1.3241	1.3101 , 1.3062 , 1.3017	1.3101

EUR/USD	SMA 5	SMA 10	SMA 15
SIMPLE MOVING AVERAGES	1.3110	1.3211	1.3276
DIFFERENCE FROM PRICE (PIPS)	14	-87	-152
DAYS SINCE PRICE TESTED SMA	0	2	10
GAP BETWEEN SMA 5, 10 & 15	167	Pips	

RELATIVE STRENGTH INDEX (RSI)	37	bearish
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BOLLINGER BAND	BOLLINGER BAND (UPPER)	BOLLINGER BAND (MIDDLE)	BOLLINGER BAND (LOWER)
Lower to Middle Band	1.3671	1.3340	1.3008

LUTFI MAGNET POINTS	WEEKLY M	MONTHLY M	QUARTERLY M	HALF YEARLY M	YEARLY M
	1.3167	1.3364	1.3294	1.3087	1.2876
SENTIMENT	Bearish	Bearish	Bearish	Bullish	Bullish

TECHNICAL AND FUNDAMENTAL ANALYSIS

Daily Technical Analysis:

EUR/USD has tested SMA5 yesterday. SMAs are now expanding in bearish sequence, with Euro is moving between SMA5 and SMA10.

RSI is showing bearish strength with 37% reading. RSI is turning to upward direction from Support-Level (30%).

Upper and Lower bands are expanding while middle band is turning downward direction. The pair is moving at lower band. It signals downward volatility in euro.

With **Lutfi Magnet** theory market is 69% Bearish and with adjustments 80 Bearish sentiments. Lutfi magnet theory and adjustments are showing decreasing bearish sentiment, where Euro may take further upward correction.

From **Trend line Analysis**, Euro has continued its bearish phase, and after moving down below last broken double top support level at 1.3241, the pair took support from 1.3000 figure level. Now break there will extend bearish moves to minor support at 1.2920, while upward moves must sustain below 1.3241 to continue bearish trend.

On the basis of Technical Analysis initial is bearish with some more upward correction. On lower side, downward move below daily pivot point at **1.3101** may re-gain bearish sentiments and attempt support2 level at **1.3062**. And break there may attempt this week low at **1.3017** figure level. While on upward, sustainable move above weekly magnet point at **1.3167**; may re-gain

bullish momentum to resistance2 at **1.3201**. Break there may attempt high at **1.3241** double top resistance level.

Daily Fundamentals:

The Euro was trading close to session high against the US Dollar on Wednesday, after an auction of Italian government bonds met with solid investor demand, easing concerns over a political deadlock.

Italy sold the full targeted amount of EUR6.5 billion of five and 10-year bonds two days after Italian elections ended with no party in control of the Senate, raising the prospect of a prolonged period of political instability and potentially reigniting the crisis in the euro zone.

The yield on Italian 10-year bonds rose to 4.83%, the highest since October, from 4.17% at a similar auction last month.

Sentiment on the euro remained subdued as investors awaited political developments in Italy, amid concerns over whether a government can be formed.

In the U.S., official data showed that U.S. durable goods orders fell sharply in January, while a separate report showed that pending home sales rose more-than-expected.

The Commerce Department said durable goods orders dropped 5.2% in January, compared to expectations for a decline of 4.4%.

Core durable goods orders, which exclude volatile transportation items, rose 1.9% last month, compared to expectations for a 0.2% increase.

The National Association of Realtors said its pending home sales index rose by 4.5% in January, beating expectations for a 1.5% gain.

Here is schedule for today's important News:

German CPI : Tentative. German preliminary Consumer Price Index in January declined 0.5% after increasing 0.9% in last month. The reading was in line with market expectations. On a yearly basis, German inflation increased 1.7% in this month. The lower than expected inflation reading suggests the euro area still faces fundamental hardships such as the ongoing debt crisis distancing its recovery. An increase of 0.7% is expected this time.

French Consumer Spending: at 12:45pm. French consumer spending calmed in December remained flat, amid lower energy prices offsetting the surge in car sales. However a small improvement was noted during the holiday season. This reading followed a 0.2% rise in the previous month. During the fourth quarter consumer spending declined 0.1% from the third quarter. A decline of 0.1% is forecasted.

German Unemployment Change: at 01:55pm. German unemployment contracted more than estimated in January falling by a seasonally adjusted 16,000 to 2.916 million. This reading followed a 2,000 drop in December, pushing the jobless rate down to 6.8%. Economists expected a rise of 9,000. A further decline of 5,000 is expected now.

Inflation data: at 03:00pm. The yearly inflation rate in the 17 countries sharing the euro reached 2.2% in December, unchanged from November. The holiday spree was a good opportunity both for retailers and service providers to pass on some price rises to consumers. Despite the recession mode, high energy prices kept inflation above the ECB's target of 2.0%, but inflation is getting closer to this in recent months. Excluding volatile items such as food and energy, core rate of inflation climbed to 1.5% from 1.4% in November. CPI is expected to gain 2.0%, while core CPI is predicted to climb 1.5%.

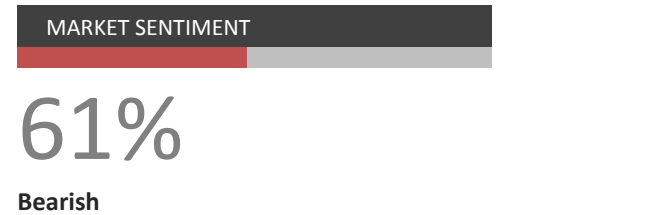
US GDP: at 06:30pm. The initial release of US GDP for Q4 2013 was a big disappointment as the economy reportedly contracted by 0.1%, mostly due to a sharp fall in government spending. As the strong growth in Q3 was probably overstated, the first report for Q4 was probably understated. A smaller trade balance deficit and other factors raise the expectations and an upwards revision to 0.5% is now expected.

US Unemployment Claims: at 06:30pm. US unemployment claims increased 20,000 last week reaching 362,000 supporting the Federal Reserve

position of maintaining its stimulus plan. The reading was above market expectations of 353,000. The unsteady state of the US job market may convince some Fed policymakers that continuing the QE is mandatory. A minor decline to 361,000 is forecast.

EUR/USD Yesterday:

EUR/USD opened yesterday at 1.3059. After some consolidation, Euro got bearish initially to slightly low at 1.3039. As the support at 1.3000 held firm, the pair moved upward to high at 1.3139. The pair closed the bullish corrective day at 1.3124.



GBP/USD

CURRENT PRICE	EXPECTED HIGH	EXPECTED LOW	PIVOT POINT
1.5152	1.5186 , 1.5225 , 1.5266	1.5110 , 1.5069 , 1.5000	1.5139

GBP/USD	SMA 5	SMA 10	SMA 15
SIMPLE MOVING AVERAGES	1.5155	1.5266	1.5387
DIFFERENCE FROM PRICE (PIPS)	-3	-114	-235
DAYS SINCE PRICE TESTED SMA	0	12	12
GAP BETWEEN SMA 5, 10 & 15	232	Pips	

RELATIVE STRENGTH INDEX (RSI)	25	bearish
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BOLLINGER BAND	BOLLINGER BAND (UPPER)	BOLLINGER BAND (MIDDLE)	BOLLINGER BAND (LOWER)
Lower to Middle Band	1.5923	1.5464	1.5005

LUTFI MAGNET POINTS	WEEKLY M	MONTHLY M	QUARTERLY M	HALF YEARLY M	YEARLY M
	1.5194	1.5473	1.5723	1.5723	1.5723
SENTIMENT	Bearish	Bearish	Bearish	Bearish	Bearish

TECHNICAL AND FUNDAMENTAL ANALYSIS

Daily Technical Analysis:

GBP/USD has tested SMA5 yesterday, while there is 12 days lagging in SMA10 and SMA15. Market SMAs are expanding in bearish sequence, whereas GBP is moving below all three SMAs.

RSI is showing bearish strength with 25% reading. RSI is moving in straight direction below Support-Level (30%). At this RSI GBP may take upward correction.

Upper and lower Bands are showing expansion while **middle Band** in downward direction. Whereas the pair is moving at lower band, it shows bearish volatility in the pair.

With **Lutfi Magnet Theory** market is 72% Bearish, while adjustments are showing 68% bearish sentiments. Lutfi magnet theory is showing decreasing bearish sentiment.

From trend line analysis, the pair has fallen down below major support line at 1.5300 and tested 31month low level around 1.5050. If GBP continued its bearish trend then below this level might initiate extensive support level to 3year bottom support level at 1.4230. While in case of upward rebound, the pair will find first resistance uptrend line at 1.5641.

From above Technical Analysis initial bias is bearish with a correction. On higher side, upward move above yesterday's high at **1.5186** will initiate consolidation to bearish trend and attempt high at resistance1 **1.5225**. And break there may attempt correction to test SMA10 at **1.5266**. However on downside, bearish biasness may take the pair may test support1 at **1.5110**. Below this

level may extend downtrend continuation to weekly low at **1.5069** and break there may attempt **1.5000** figure level.

Daily Fundamentals:

The pound pushed higher against the U.S. dollar on Wednesday, after the release of positive U.S. data, although gains were limited by sustained concerns over the outlook for growth in the U.K.

The U.S. Commerce Department said durable goods orders dropped 5.2% in January, compared to expectations for a decline of 4.4%.

Core durable goods orders, which exclude volatile transportation items, rose 1.9% last month, compared to expectations for a 0.2% increase.

Meanwhile, the U.S. National Association of Realtors said its pending home sales index rose by 4.5% in January, beating expectations for a 1.5% gain.

In the U.K., the Office for National Statistics earlier said the economy contracted 0.3% in the three months to December, in line with initial estimates and economists' forecasts.

In the U.K. official data confirmed that the economy contracted by 0.3% in the fourth quarter in line with initial estimates and economists' forecasts.

The weak data reinforced concerns over the threat of a triple-dip recession, after ratings agency Moody's downgraded the U.K.'s triple-A rating by one notch last

week, citing a weak outlook for growth and a rising debt burden.

Meanwhile, expectations for further monetary easing by the Bank of England remained intact after the minutes of the central bank's February meeting indicated that policymakers are moving closer to another round of asset purchases.

Overall market sentiment remained subdued amid fears that inconclusive Italian election results could result in a prolonged period of political instability and stoke fresh concerns over the crisis in the euro zone.

Here is schedule for today's important News:

GfK Consumer Confidence: at 05:01am. Analysts are always interested in consumer confidence, as increased positive sentiment translates into more consumer spending, which is an important engine for economic growth. The indicator has been mired in a deep-freeze, pointing to ongoing pessimism about the state of the British economy. The markets are expecting more of the same in the upcoming reading.

US GDP: at 06:30pm. The initial release of US GDP for Q4 2013 was a big disappointment as the economy reportedly contracted by 0.1%, mostly due to a sharp fall in government spending. As the strong growth in Q3 was probably overstated, the first report for Q4 was probably understated. A smaller trade balance deficit and other factors raise the expectations and an upwards revision to 0.5% is now expected.

US Unemployment Claims: at 06:30pm. US unemployment claims increased 20,000 last week reaching 362,000 supporting the Federal Reserve position of maintaining its stimulus plan. The reading was above market expectations of 353,000. The unsteady state of the US job market may convince some Fed policymakers that continuing the QE is mandatory. A minor decline to 361,000 is forecast.

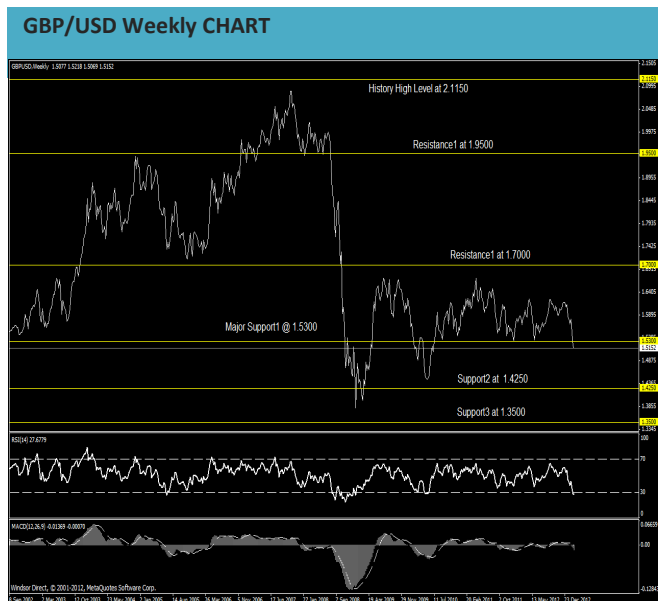
GBP/USD Yesterday:

GBP/USD opened yesterday at 1.5123. The pair initially moved downward in the morning sessions, and attempted low at 1.5080. As the support at 1.5100 held firmed, pair moved upward to high at 1.5186. The pair closed yesterday at 1.5152.



63%

Bearish



USD/JPY

CURRENT PRICE	EXPECTED HIGH	EXPECTED LOW	PIVOT POINT
92.22	92.43 , 92.76 , 93.09	91.72 , 91.41 , 91.13	91.92

JPY/USD	SMA 5	SMA 10	SMA 15
SIMPLE MOVING AVERAGES	92.31	92.92	93.06
DIFFERENCE FROM PRICE (PIPS)	-9	-70	-84
DAYS SINCE PRICE TESTED SMA	2	2	2
GAP BETWEEN SMA 5, 10 & 15	75 Pips		

RELATIVE STRENGTH INDEX (RSI)	52	bullish
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BOLLINGER BAND	BOLLINGER BAND (UPPER)	BOLLINGER BAND (MIDDLE)	BOLLINGER BAND (LOWER)
Lower to Middle Band	94.46	93.09	91.72

LUTFI MAGNET POINTS	WEEKLY M	MONTHLY M	QUARTERLY M	HALF YEARLY M	YEARLY M
	92.76	92.43	88.12	85.84	85.84
SENTIMENT	Bearish	Bearish	Bullish	Bullish	Bullish

TECHNICAL AND FUNDAMENTAL ANALYSIS

Daily Technical Analysis:

USD/JPY has not tested SMA5, SMA10 and SMA15 for last 2 days. JPY/USD SMAs are contracting in bearish sequence, while the pair is moving below all three SMAs.

RSI is showing slight bullish strength with 52% reading. RSI is turning to upward direction above Mid-level (50%).

Upper and **lower** band are squeezing the bands, while **Middle** is moving in upward direction. JPY is moving between lower and middle band, it shows slight bearish volatility in pair is decreasing.

With **Lutfi Magnet Theory** market is 55% Bearish and adjustments are 50% bearish/bullish. Lutfi Magnet Theory and adjustments are showing mix sentiment in Japanese Yen.

Further from Trend line analysis; the pair moved down from 32 month high. After Last Week's USD/JPY consolidation from high at 94.44 to low at 92.21, On Monday the pair fell down to almost four week low at 90.96. Now in case of further extension to downtrend, the pair may retest 2 month low at 85.52. As mentioned earlier, Trend line analysis also suggests this uptrend was steep and could bring a deeper correction.

Concluding all Technical Analysis, initial bias is neutral with a correction for Monday's move. On higher side, upward move above monthly magnet at **92.43** may initiate uptrend to test Tuesday's high at **92.76**. Above this level may test Middle Bollinger band at **93.09**. While on lower side, sustainable move below lower Bolinger band at

91.72, may initiate consolidation to test support1 at **91.41** and below this level may attempt yesterday's low at **91.13**.

Daily Fundamentals:

The U.S. dollar is trading slightly higher against the Japanese yen on Wednesday on speculation that one of Prime Minister Shinzo Abe's preferred choices to become a Bank of Japan deputy governor may not be approved by Japan's opposition party.

Earlier on Wednesday, it was reported that the Democratic Party of Japan, the main opposition party to Prime Minister Shinzo Abe's Liberal Democratic Party, may not approve Kikuo Iwata for one of the two open deputy governor slots at the Bank of Japan.

While Asian Development Bank chief Haruhiko Kuroda is widely expected to receive approval, some concerns have been expressed about Iwata. Abe's party controls Japan's lower house of parliament, but not the upper house.

Market participants view Iwata as towing the party line with Abe for unlimited monetary easing and higher inflation.

In fact, Iwata has been vocal in his support of higher inflation, saying that if Abe's target of 2% inflation is not met, Japan should change a long-standing that guarantees the central bank's independence, something Abe himself previously threatened.

Japan's Your Party, which is far smaller than Abe's LDP and the opposition Democratic Party, has openly supported

Iwata. The Your Party does hold 12 seats in parliament's upper chamber.

Some observers of Japanese politics believe Abe's soaring popularity, helped in large part by the falling yen, make it difficult and perhaps politically perilous for anyone to oppose his BoJ nominations.

In the U.S., official data showed that U.S. durable goods orders fell sharply in January, while a separate report showed that pending home sales rose more-than-expected.

The Commerce Department said durable goods orders dropped 5.2% in January, compared to expectations for a decline of 4.4%.

Core durable goods orders, which exclude volatile transportation items, rose 1.9% last month, compared to expectations for a 0.2% increase.

The National Association of Realtors said its pending home sales index rose by 4.5% in January, beating expectations for a 1.5% gain.

Here is schedule for today's important News:

Manufacturing PMI: at 04:15am. Japanese manufacturing activity continued to contract in January reaching 47.7 from 45 in December, a slight improvement indicating move towards recovery. The output component of the PMI index rose to 48.1 from 44.4 in December raising hope that Japanese growth will pick up in the first half of this year.

Prelim Industrial Production: at 04:50am. Japan's industrial production increased a seasonally adjusted 2.5%

in December 2012 after posting a 1.4% decline in the previous month, another improvement for the Japanese economy. A rise of 1.6% is anticipated.

Housing Starts: at 10:00. Housing starts in Japan edged up 10.0% in December from a year earlier, rising for the fourth straight month. This rise followed by a 10.3% climb in the previous month. The rise occurred due to increased demand before the expected rise in the sales tax. A smaller increase of 8.9% is expected.

US GDP: at 06:30pm. The initial release of US GDP for Q4 2013 was a big disappointment as the economy reportedly contracted by 0.1%, mostly due to a sharp fall in government spending. As the strong growth in Q3 was probably overstated, the first report for Q4 was probably understated. A smaller trade balance deficit and other factors raise the expectations and an upwards revision to 0.5% is now expected.

US Unemployment Claims: at 06:30pm. US unemployment claims increased 20,000 last week reaching 362,000 supporting the Federal Reserve position of maintaining its stimulus plan. The reading was above market expectations of 353,000. The unsteady state of the US job market may convince some Fed policymakers that continuing the QE is mandatory. A minor decline to 361,000 is forecast.

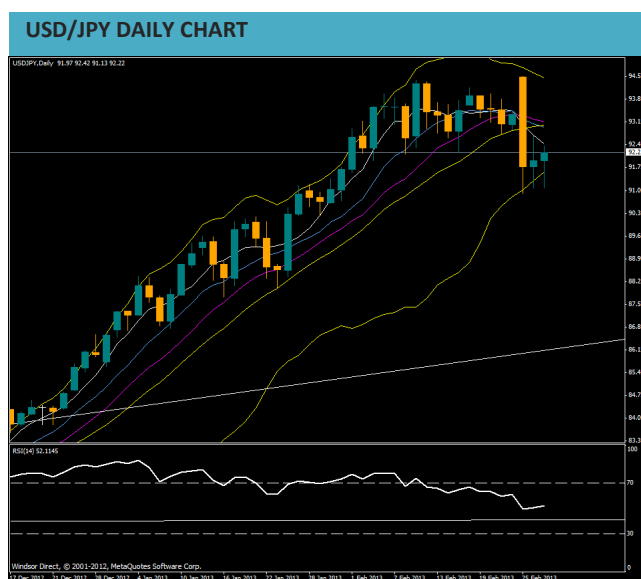
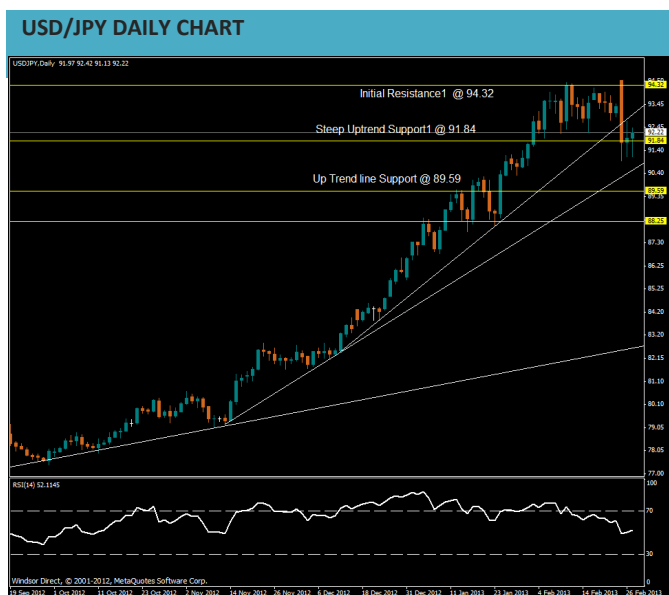
USD/JPY Yesterday:

Yesterday, JPY started the day at 91.97. The pair moved downward for some correction and attempted Tuesday's low at 91.13. as the support at 91.13 held firmed the pair moved upward to high at 92.42. Yen closed yesterday at 92.22.



50%

Bearish/Bearish



GOLD

CURRENT PRICE	EXPECTED HIGH	EXPECTED LOW	PIVOT POINT
1594.74	1600.57 , 1605.53 , 1608.34	15.90.19 , 1587.14 , 1584.78	1600.57

GOLD	SMA 5	SMA 10	SMA 15
SIMPLE MOVING AVERAGES	1595.13	1593.76	1611.98
DIFFERENCE FROM PRICE (UD \$)	-0.39	0.98	-17.24
DAYS SINCE PRICE TESTED SMA	1	0	12
GAP BETWEEN SMA 5, 10 & 15	18.22	USD	

RELATIVE STRENGTH INDEX (RSI)	38	bearish
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BOLLINGER BAND	BOLLINGER BAND (UPPER)	BOLLINGER BAND (MIDDLE)	BOLLINGER BAND (LOWER)
Middle to Lower Band	1700.15	1627.07	1554.00

LUTFI MAGNET POINTS	WEEKLY M	MONTHLY M	QUARTERLY M	HALF YEARLY M	YEARLY M
	1587.14	1619.88	1649.07	1675.36	1661.33
SENTIMENT	Bullish	Bearish	Bearish	Bearish	Bearish

TECHNICAL NAD FUNDAMENTAL ANALYSIS

Daily Technical analysis:

GOLD has not tested SMA5 yesterday. Gold market SMAs are contracting and moving is bearish sequence. The precious metal is moving between SMA5 and SMA10.

RSI is showing decreasing bearish strength with 38% reading and moving in downward direction below mid-Level (50%).

Upper and Lower bands are showing expansion and Middle band is turning to downward direction with expanded bands. As the metal has turned upward to middle band, it shows bearish volatility is decreasing in Gold market.

With Lutfi Magnet Theory market is 57% bullish and with adjustments 59% Bearish. Lutfi Magnet Theory and Adjustments are showing Mix sentiments in gold market.

From Fibonacci Retracement Analysis, Gold has tested 50% retracement level of downtrend from 1683 to 1555 at 1619. Yesterday it took bearish move below 38.2% at 1603.65. Now on downside first target is 23.6% level at 1584.78, where break below this level may increase bearish sentiments to test Bottom again at 1555. However above 50% level will turn the sentiments upward to target 61.8% level at 1633.63.

Concluding all Technical Analysis, initial bias is neutral for the day. On lower Side, move below support level at **1590.19** will provide support to bearish sentiment and may attempt weekly magnet point at **1587.14**. And break below this level may attempt 23.6% fibonacci retracement level at **1584.78**. While on higher side, upward move above daily pivot point at **1600.57** may

re-gain bullish sentiment and attempt high to test resistance1 at **1605.53**. And Break there may attempt high at **1608.34**.

Daily Fundamentals:

Gold prices dropped in U.S. trading on Wednesday after investors priced in Federal Reserve Chairman Ben Bernanke's dovish testimony before both houses of the U.S. Congress and later sold for profits.

Bernanke told the Senate Banking Committee on Tuesday and the House Financial Services Committee on Wednesday that loose monetary policies haven't opened the door to asset bubbles in financial markets or more pronounced inflationary pressures.

The Federal Reserve is currently running a USD85 billion monthly bond-buying program, a monetary stimulus tool known as quantitative easing that weakens the dollar to spur the economy, which pushes up gold prices as a side effect.

The Fed has also said near-zero interest rates will stick around for a while, and market sentiment that loose policies will stay in place for now sent gold prices rising to levels ripe for profit-taking on Wednesday.

Improving economic indicators and better-than-expected quarterly earnings have fueled expectations that the U.S. economy is on the mend and will soon stand on its own without monetary stimulus measures, and end of which could curb demand for the precious metal as a hedge to a weaker dollar.

In the U.S. earlier, the Commerce Department reported that orders for durable goods dropped 5.2% in January compared with market calls for a decline of 4.4%.

However, core durable goods orders, which exclude volatile transportation items, rose 1.9% last month, beating expectations for a 0.2% increase.

Meanwhile, the National Association of Realtors reported that its pending home sales index rose by 4.5% in January, beating expectations for a 1.5% gain.

Gold futures for April delivery were down 1.25% at USD1,595.30 a troy ounce in U.S. trading on Wednesday, up from a session low of USD1,593.10 and down from a high of USD1,614.40 a troy ounce.

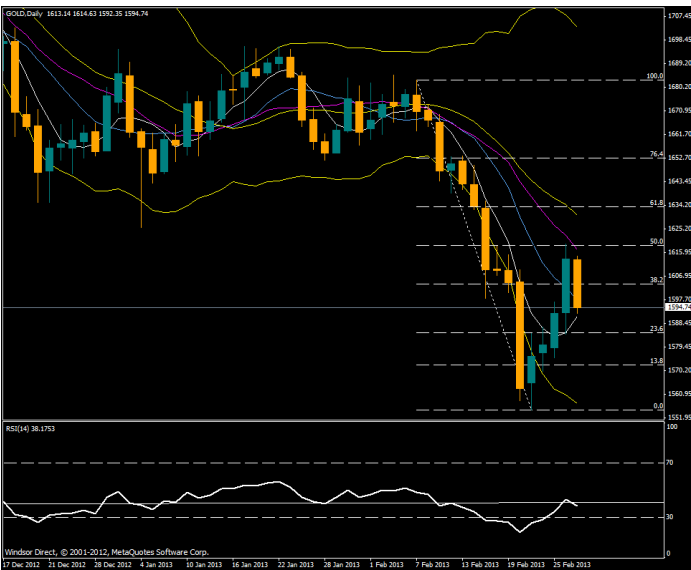
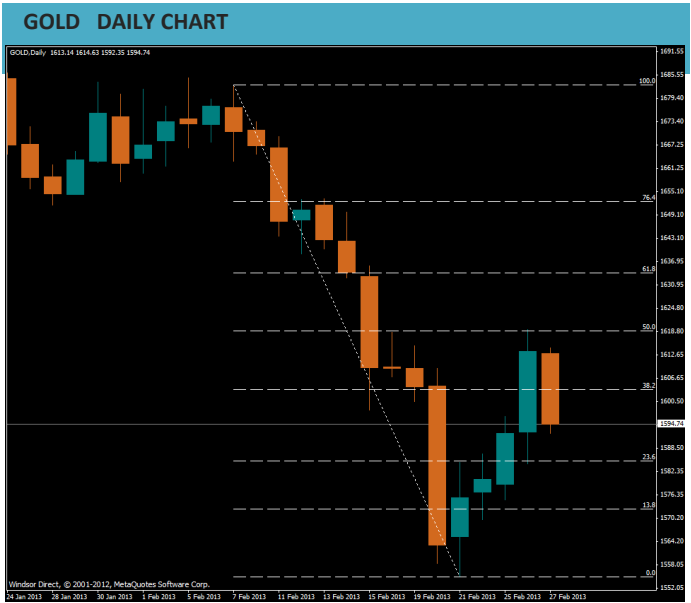
GOLD Market Yesterday:

Gold opened yesterday at 1613.14. The precious metal fell down after attempting slightly high at 1614.63 to as low as 1592.35. The precious metal closed yesterday at 1594.78.

MARKET SENTIMENT

50%

Bullish/Bearish



FOR MORE INFORMATION

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IMPORTANT ECONOMIC DATA FOR THIS WEEK**Monday, February 25**

China is to release the preliminary **HSBC manufacturing PMI**, a leading indicator of economic health.

In the **euro zone**, voting in **Italy's general elections** will take place for a **second day**.

The U.K. is to publish industry data on **mortgage approvals**, an important indicator of demand in the housing sector.

Later Monday, **Bank of Canada Governor Mark Carney** is to **speak**; his comments will be closely watched.

Tuesday, February 26

New Zealand is to release official data on **inflation expectations**, as well as data on **the trade balance**, the difference in value between imports and exports.

Switzerland is to release official data on the **employment level**.

The U.K. is to release industry data on **retail sales**, an important indicator of economic health.

The U.S. is to release a report on **consumer confidence**, as well as official data on **new home sales**, a leading indicator of economic health. The U.S. is also to release industry data on **house price inflation**. In addition, **Federal Reserve Chairman Ben Bernanke** is to **testify** on monetary policy before the Senate Banking Committee, in Washington DC.

Wednesday, February 27

Japan is to release official data on **retail sales**, the government measure of consumer spending, which accounts for the majority of overall economic activity.

Australia is to publish official data on the value of **completed construction projects**, an important gauge of activity in the sector.

The euro zone is to produce official data on **M3 money supply**, as well as the **Gfk report** on **German consumer climate**, a leading indicator of consumer spending. **Italy** is to hold an auction of **10-year government bonds**.

Switzerland is to publish its **KOF economic barometer**, designed to predict the medium term direction of the economy.

The U.K. is to release revised data on **fourth quarter economic growth**, as well as preliminary data on **business investments**, a leading economic indicator.

The U.S. is to produce official data on **durable goods orders**, **pending home sales** and **crude oil inventories**. Meanwhile, **Fed Chairman Ben Bernanke** is to **testify** on monetary policy before the Senate Banking Committee for a second day, in Washington DC.

Thursday, February 28

Japan is to release preliminary data on **industrial production**, a leading economic indicator.

New Zealand is to publish a report on **business confidence**, while **Australia** is to release official data on **private capital expenditure** and **private sector credit**.

Switzerland is to release government data on **fourth quarter gross domestic product**, the broadest indicator of economic activity and the leading measure of the economy's health.

The euro zone is to release official data on **consumer price inflation**, which accounts for the majority of overall inflation. Meanwhile, **Germany** is to produce preliminary data on **CPI** and data on the change in the **number of people unemployed** in the previous month. **France** is to release government data on **consumer spending**.

Canada is to publish official data on the **current account** and data on **raw material prices**, a leading inflationary indicator.

Later Thursday, **the U.S.** is to release revised data on **fourth quarter economic growth**, in addition to the weekly government report on **initial jobless claims** and official data on **manufacturing activity in Chicago**.

Friday, March 1

Japan is to release official data on **household spending**, **capital spending** and **inflation**.

China is to release government data on **manufacturing activity**.

In the euro zone, **Germany** is to publish official data on **retail sales**.

Switzerland is to release data on **the SVME PMI**, a leading indicator of economic strength.

The U.K. is to release industry data on **house price inflation** as well as a report on **manufacturing activity** and **net lending** to individuals.

Canada is to publish government data on **economic growth**, the broadest indicator of economic activity and the leading measure of the economy's health.

The U.S. is to round up the week with a report from the Institute of Supply Management on **manufacturing activity**, official data on **personal spending** and **revised data on consumer sentiment** from the University of Michigan.

Federal Reserve Chairman Ben Bernanke is to **speak** in San Francisco; his comments will be closely watched for indications on the future possible direction of monetary policy.