

## Gold

### Technical

Gold markets broke out yesterday, clearing the \$1350 level to the upside, reaching towards the \$1365 level. Economists think that if it can continue to go higher, its likely that it will probably go towards the \$1375 level, and then eventually the \$1400 level. If it can break above there, the market will be free to go in more of a “buy-and-hold” scenario. Market players believe that the \$1350 level could be a significant support of level. There’s a lot of noise between there and the \$1325 level underneath, offering a lot of support. On the breakout above, it could go as high as \$1800, and then possibly even the \$2000 level after that. The US dollar has its influenced as usual, so if it falls and loses a bit of value, the gold markets will rally. It shows that the overall attitude of the market will continue to be positive, but it will take a lot of confidence to finally go to those lofty levels.

|            |       |       |       |
|------------|-------|-------|-------|
| Pivot:     | 1,350 |       |       |
| Support    | 1,345 | 1,338 | 1,331 |
| Resistance | 1,359 | 1,365 | 1,376 |

Source: FX EMPIRE

### Highlights

- Gold off 11 weeks high after FED signal more rate hikes
- FED policy makers felt the U.S economy would firm further and inflation would rise in coming months
- Gold is sensitive to rising U.S interest rates as the metal does not pay interest and rising rates make interest-bearing investments more attractive
- Gold is getting support with Syria tensions along with the weaker dollar
- Gold is often perceived as a safe store of value during times of political and financial uncertainty

### Gold - Technical Indicators

|         |         |
|---------|---------|
| RSI 14  | 33.74   |
| SMA 20  | 1,263.6 |
| SMA 50  | 1,291.6 |
| SMA 100 | 1,287.1 |
| SMA 200 | 1,300.1 |

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold eased off multi-week highs yesterday as minutes from the Federal Reserve's last policy meeting raised expectations of a faster pace of U.S rate hikes, but concerns about possible U.S military action against Syria limited losses.
- After rising for four previous sessions, spot gold was down 0.2 percent at \$1,350.70 an ounce and U.S gold futures fell 0.4 percent to \$1,354.5 an ounce.
- All of the Federal Reserve's policymakers felt that the U.S economy would firm further and that inflation would rise in the coming months, minutes of the central bank's last policy meeting.
- Higher interest rates discourage the buying of non-interest-paying bullion, which is priced in dollars. Yesterday, gold rose 1 percent and hit a high of \$1,365.23 an ounce, its highest since Jan. 25.
- Volatility is expected to remain high, while gold will stay supported so as long as U.S military option remains on the table, gold will continue bid. But it could see higher prices, if both the United States and Israel get drawn into the fracas siding with Saudi Arabia in Riyadh escalations with Tehran. A test of \$1,400+ would be on the cards immediately.
- U.S President Donald Trump warned Russia of imminent military action in Syria over a suspected poison gas attack, declaring that missiles "will be coming" and lambasting Moscow for standing by Syrian President Bashar al-Assad.
- Gold is often used as a store of value during times of financial or political uncertainty. Also underpinning bullion were lingering worries about a trade war between China and the United States. China will not hesitate to fight back if the United States escalates its trade spat with Beijing.

### US Commodity Futures Trading Commission (CFTC) Data

| Date       | Large Speculators |       |         | Commercial |        |         | Small Speculators |        |         | Open Interest |
|------------|-------------------|-------|---------|------------|--------|---------|-------------------|--------|---------|---------------|
|            | Long              | Short | Bullish | Long       | Short  | Bullish | Long              | Short  | Bullish |               |
| 12/01/2017 | 337251            | 72353 | 82%     | 120854     | 284003 | 30%     | 49448             | 31277  | 61%     | 384,974       |
| 12/08/2017 | 340748            | 74460 | 82%     | 115571     | 287002 | 29%     | 51148             | 36,819 | 61%     | 450555        |
| 12/15/2017 | 291266            | 84634 | 77%     | 116493     | 311865 | 27%     | 53520             | 32958  | 62%     | 499110        |
| 12/12/2017 | 274589            | 77454 | 77%     | 118610     | 304141 | 28%     | 49810             | 33791  | 60%     | 493086        |
| 12/29/2017 | 295688            | 67069 | 82%     | 127081     | 327075 | 28%     | 51562             | 30399  | 63%     | 510579        |

Source: CFTC

## Crude Oil

### Technical

Crude oil markets rallied significantly yesterday again, breaking above the \$66 level, an area that might was a major resistance level. If it can break above the recent highs at the \$67.50 level. Short-term pullback should be buying opportunities, with the \$65 level being support. If it break down below there, then might the market would go looking towards the \$64 level next, and then possibly the \$63 level. Brent markets also rallied yesterday, reaching towards the \$73 level. That is a large, round, psychologically significant number, so might have pulled back just a little bit. It seems that there is plenty of support underneath though, extending down to at least the \$70 level, an area that will have a certain amount of psychological importance, as well as structural importance. It also have the uptrend line underneath on the daily chart that has acted as support.

|            |       |       |       |
|------------|-------|-------|-------|
| Pivot:     | 67.13 |       |       |
| Support    | 66.30 | 65.20 | 64.35 |
| Resistance | 68.00 | 68.80 | 69.30 |

Source: FX EMPIRE

### Highlights

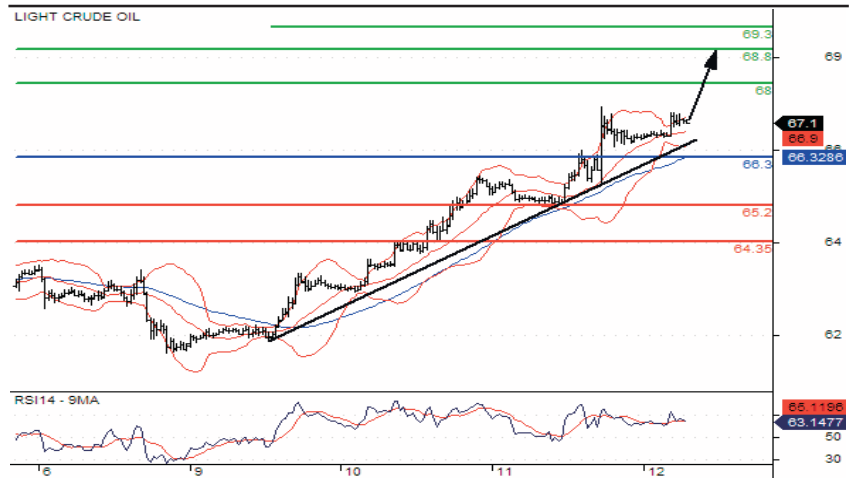
- U.S crude rose to its highest level since December 2014. U.S crude rose 2.4 percent, or \$1.54 a barrel, to \$67.06, on heavy volume
- Crude oil is running through the refineries and the demand for product is also at an all time record
- Ongoing trade disputes between the United States and China also kept markets on edge
- Geopolitical risks outweighed an unexpected rise in inventories in the U.S
- Oil markets were tensed on concerns of a military escalation in Syria, but prices were some way off

### Crude - Technical Indicators

|         |       |
|---------|-------|
| RSI 14  | 31.91 |
| SMA 20  | 48.72 |
| SMA 50  | 48.27 |
| SMA 100 | 51.11 |
| SMA 200 | 56.32 |

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- U.S crude stocks rose unexpectedly last week as imports jumped and production increased to another weekly record. Crude inventories rose by 3.3 million barrels in the week ended April 6, as compared with analyst's expectations for a decrease of 189,000 barrels.
- Net U.S crude imports rose last week by 1.7 million barrels per day to 8.65 million bpd. However, the overall four-week average of U.S imports has remained relatively stable from the same period a year ago. Weekly production topped 10.5 million bpd for the first time, whereas monthly figures for December and January put production sharply lower than the weekly estimates.
- Refinery crude runs rose by 83,000 barrels per day. Refinery utilization rates rose by 0.5 percentage points, bringing overall capacity utilization to 93.5 percent for the nation's refiners, the highest level seasonally since 2005.
- In its monthly short-term energy outlook, it forecast that U.S crude oil output will rise by 750,000 barrels per day to 11.44 million bpd next year. Last month, it expected a 570,000 bpd year-over-year increase to 11.27 million bpd.
- Oil prices dropped immediately after the report, as market players focused on escalating tensions in Syria, after President Donald Trump threatened a missile attack following a chemical weapons attack there this week.
- Brent and WTI hit their highest since 2014 of \$73.09 and \$67.45 per barrel respectively, after Saudi Arabia said it intercepted missiles over Riyadh and U.S President warned Russia of imminent military action in Syria.
- U.S crude oil production last week hit a fresh record of 10.53 million barrels per day, up by a quarter since mid-2016. The United States now produces more crude than top exporter Saudi Arabia. Only Russia, at currently just under 11 million bpd, pumps out more.

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|------------|-------------------|---------|---------|------------|---------|---------|-------------------|--------|---------|---------------|
|            | Long              | Short   | Bullish | Long       | Short   | Bullish | Long              | Short  | Bullish |               |
| 12/01/2017 | 458,206           | 105,441 | 81%     | 560,983    | 925,531 | 38%     | 82,700            | 70,917 | 54%     | 1,598,935     |
| 12/08/2017 | 462,028           | 106,739 | 81%     | 557,217    | 927,085 | 38%     | 85,279            | 70,700 | 55%     | 1,615,844     |
| 12/15/2017 | 454,829           | 123,816 | 79%     | 571,328    | 916,651 | 38%     | 87,594            | 73,282 | 54%     | 1,619,796     |
| 12/12/2017 | 463,186           | 135,835 | 77%     | 560,029    | 897,400 | 38%     | 87,590            | 77,633 | 53%     | 1,623,027     |
| 12/29/2017 | 473,506           | 133,457 | 78%     | 558,910    | 898,363 | 38%     | 79,121            | 79,717 | 50%     | 1,613,293     |

Source: CFTC

## Silver

### Technical

Silver markets rallied significantly yesterday, breaking above the \$16.75 level, showing signs of life. Now it has made a fresh, new high, its likely that we will continue to see a lot of volatility in potential upward momentum. The short-term pullbacks will be buying opportunities, perhaps reaching towards the \$17 level above, and then the \$17.25 level. The market will ultimately continue to try to break to the upside, but its going to take a lot of work to do so. The \$16.50 level underneath should be massively supportive, and that might stay above there over the next couple of days. The Silver markets are highly sensitive to global appetite of risk. A lot of the trade tension out there is lifting precious metals in general, and geopolitical concerns will continue to be a major contributor. If it breaks below the \$16.50 level, then it might touch the \$16 level, which is more supportive.

|            |       |       |       |
|------------|-------|-------|-------|
| Pivot:     | 16.62 |       |       |
| Support    | 16.52 | 16.43 | 16.33 |
| Resistance | 16.80 | 16.87 | 16.97 |

Source: FX EMPIRE

### Highlights

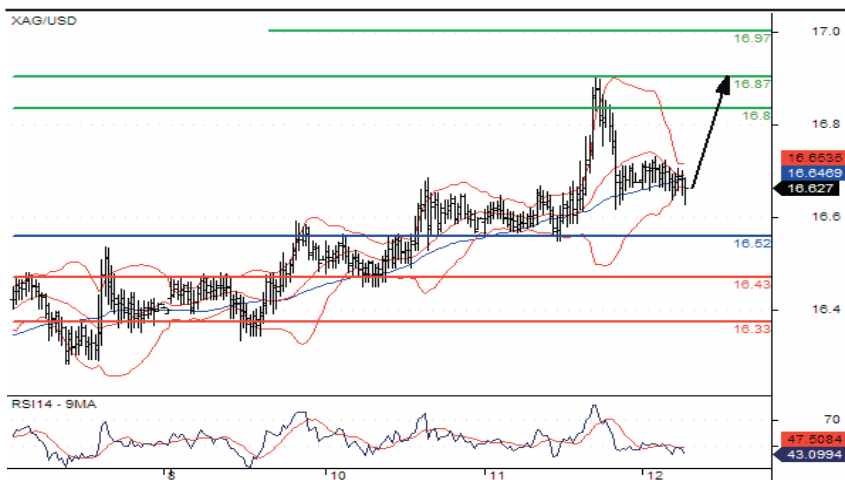
- Silver increased 0.55 percent to \$16.64 an ounce, earlier reaching \$16.87, a near two-month high
- Silver markets are very choppy in general and can be thin at times
- Silver could be in a better position to rally than gold
- Silver could see the biggest jump because the metal could be considered fundamentally and technically undervalued
- Dissipating trade war fears will shine a light on silver and industrial demand is also likely to drive the metal

### Silver - Technical Indicators

|         |       |
|---------|-------|
| RSI 14  | 37.92 |
| SMA 20  | 16.60 |
| SMA 50  | 17.09 |
| SMA 100 | 17.05 |
| SMA 200 | 16.83 |

Source: FX EMPIRE

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver continues to hold gains, prices are off its highs and under pressure following the release of the minutes of the March Federal Open Market Committee meeting, whereas the dollar recovered after trading around this week's lowest range. While silver futures fell 0.82% to \$16.630 a troy ounce.
- The minutes have a hawkish tone as most central bank committee members agreed that the nation's economic outlook has strengthened in recent months. At the same time, the committee sees inflation rising in coming months.
- A number of participants indicated that the stronger outlook for economic activity, along with their increased confidence that inflation would return to 2 percent over the medium term, implied that the appropriate path for the federal funds rate over the next few years would likely be slightly steeper than they had previously expected.
- All of the events currently shaping market sentiment, the possibility of a U.S. airstrike in Syria is the newest issue that market participants are presently factoring into their market forecast.
- Silver pricing remained at high until the Federal Reserve released the minutes from last month's FOMC meeting. Analysts interpreted the minutes as having a more hawkish demeanor than previously believed. This caused the silver prices to trade off of the high.
- It seems market sentiment has shifted away from the current trade dispute between the United States and China. U.S Agriculture Secretary Sonny Purdue's statement seemed to calm market sentiments.
- There are always multiple events shaping investor sentiment, however, the multitude and depth of current geopolitical, political, and monetary concerns are of an increasing concern. As such we could see continued pressure in U.S equities and higher pricing in safe-haven assets such as silver.

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|------------|-------------------|--------|---------|------------|--------|---------|-------------------|--------|---------|---------------|
|            | Long              | Short  | Bullish | Long       | Short  | Bullish | Long              | Short  | Bullish |               |
| 12/01/2017 | 42,097            | 29,999 | 58%     | 56,157     | 75,843 | 43%     | 23,121            | 15,533 | 60%     | 132,501       |
| 12/08/2017 | 42,083            | 27,402 | 61%     | 54,280     | 79,052 | 41%     | 24,963            | 14,872 | 63%     | 132,475       |
| 12/15/2017 | 41,285            | 23,950 | 63%     | 53,875     | 79,404 | 40%     | 23,378            | 15,184 | 61%     | 131,294       |
| 12/12/2017 | 41,287            | 24,798 | 62%     | 58,869     | 83,678 | 41%     | 21,523            | 13,203 | 62%     | 136,158       |
| 12/29/2017 | 41,334            | 26,466 | 62%     | 60,600     | 84,551 | 42%     | 21,666            | 13,583 | 61%     | 139,468       |

Source: CFTC

# Commodity News

Thursday, April 12, 2018



## Data Calendar

### Economic Data

| Date           | Time  | Event  | Importance | Actual | Forecast | Previous |
|----------------|-------|--|------------|--------|----------|----------|
| Thurs April 12 | 06:00 | AUD Consumer Inflation Expectation (Apr)           | Medium     | 3.6%   |          | 3.7%     |
| Thurs April 12 | 17:30 | CAD New Housing Price Index (YoY) (Feb)            | Medium     |        |          | 3.2%     |
| Thurs April 12 | 17:30 | USD Initial Jobless Claims (Apr 7)                 | Medium     |        | 230k     | 242k     |
| Thurs April 12 | 17:30 | USD Import Price Index ex Petroleum (MoM) (Mar)    | Medium     |        | 0.3%     | 0.5%     |
| Thurs April 12 | 17:30 | USD Continuing Claims (Mar 31)                     | Medium     |        |          | 1808k    |
| Thurs April 12 | 17:30 | USD Export Price Index (YoY) (Mar)                 | Medium     |        |          | 3.3%     |
| Thurs April 12 | 19:30 | USD EIA Natural Gas Storage Change (Apr 6)         | Low        |        |          | -29      |
| Thurs April 12 | 21:00 | EUR ECB's Weidmann Speaks on Strengthening Euro    | High       |        |          |          |
| Thurs April 12 | 22:00 | USD U.S. to Sell USD13 Bln 30-Year Bonds Reopening | Low        |        |          |          |

Source: Forex Factory, DailyFX

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