

Gold

Technical

Gold markets went sideways in general, showing a lot of choppy trading on Friday. The \$1336 level has offered a significant amount of support, and then rallied towards the \$1345 level. If it can break above the \$1350 level, the market should be free to go much higher, perhaps reaching towards the \$1400 level. The buying of golden bits and pieces and looking at short-term pullbacks as an opportunity to pick up value in what should be a positive market based upon the longer-term charts. That's not like that it will break out rather quickly, just that it will eventually find a reason to go higher. If it can break above the \$1400 level, then the market has a relatively clear path to the \$1800 level above, and then even the \$2000 level after that. The short-term pullbacks to pick up bits and pieces of gold as it gives an opportunity to build up a large position for that break out.

Pivot:	1,346		
Support	1,340	1,334	1,331
Resistance	1,353	1,358	1,365

Source: FX EMPIRE

Highlights

- Gold edged up after Syria strikes and scored the second straight weekly gain
- Gold has benefited in recent days as a safe-haven asset amid a U.S and China trade dispute and the escalating conflict in Syria
- Gold has risen more than 3% this year, buoyed by international tensions and volatility in equities
- Spot gold eased slightly, as the market reacted to the military actions over the weekend
- Hedge funds and money managers raised their net long positions in COMEX gold and contracts in the week to April 10

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 prices edged higher today, even as the dollar and equity markets firmed on relief that weekend missile strikes against Syria by the United States, France and Britain may be a one-off event.
- Gold futures finished higher by 0.1 percent to \$1,349.2 an ounce, giving up early declines, as U.S tensions with Russia and China fed the precious metal's investment appeal, sending prices up for a second straight week.
- June gold rose \$6, or 0.5%, to settle at \$1,347.90 an ounce. Gold logged a roughly 0.8% gain for the week. Prices had climbed nearly 1.1% on Wednesday to the highest finish since late January, only to fall back by 1.3% Thursday. Overall, it's been a "roller coaster for gold prices".
- Gold shot up on Wednesday primarily on the back of U.S talk of airstrikes and saber rattling with Russia and Syria. Gold prices then fell Thursday as fears of imminent airstrikes and military action in Syria receded on the back of President Trump's tweet clarifying that the time frame could be 'sooner or much later'.
- Higher interest rates can boost the dollar and dull demand for dollar-denominated commodities, although some camps will always consider gold a hedge should inflation run too hot, even if the Fed is raising rates.
- Despite heightened geopolitical risks, the impact on so-called safe-haven assets has been short-lived and modest. While the yen rose initially on fears of a Syrian strike, it ended near seven-week lows to the dollar last week.
- Gold, often used as a store of value in times of political and economic uncertainty, could rally toward \$1,400 per ounce after two consecutive weeks of gains. Safe haven demand picks up with situation in Syria coming to decision point today and into the weekend for the Trump administration.

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

The crude oil markets rallied significantly during the week, reaching towards the \$68 level as it continues to see buyers jump into this market. The uptrend line remains intact, and that of course is a very bullish and important sign. It seems that buyers will continue to come back into the market place, every time there is a bit of value appearing. However, if it broke below the bottom of the uptrend line, that could change things, but currently look as if it is hell-bent on reaching towards the \$70 handle. A break above there could send this market towards the \$75 level next. Brent markets also rallied significantly, breaking to a fresh, new high, clearing the \$72 level. If it pull back from here, it's likely that the \$70 level will offer support, just as the uptrend line. As long as it can stay above the uptrend line, it's likely that the buyers will continue to come back into this market.

Pivot:	66.81		
Support	66.00	65.20	64.35
Resistance	67.75	68.80	69.30

Source: FX EMPIRE

Highlights

- Oil markets also came under pressure from a rise in U.S oil drilling activity
- Crude oil markets tensed after western strike on Syria also a rise in U.S drilling for new production
- Trump was able to enforce his chemical weapons red line without crossing the threshold for Russian retaliation
- The greater fears of the oil market of this spilling into a greater conflict that could involve Iran and Saudi Arabia
- If oil break down below the uptrend line, the market could go to the \$65 level

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 stock futures firmed and oil fell 1 percent today as investors wagered the latest U.S led strike on Syria would not escalate into a wider conflict, though Asian markets turned mixed as selling in bank shares slugged Chinese indexes.
- The United States, France and Britain launched 105 missiles on Saturday, targeting what they said were three chemical weapons facilities in Syria in retaliation for a suspected poison gas attack in Douma on April 7.
- Brent crude oil futures were at \$71.85 per barrel, down 73 cents, or 1 percent, from their last close. U.S West Texas Intermediate crude futures were down 57 cents, or 0.9 percent, at \$66.82 a barrel. In the wake of the coordinated attack on Syria, oil prices are significantly lower but the impact appears to be compact and over.
- U.S energy companies added seven oil rigs drilling for new production in the week to April 13, bringing the total to 815, the highest since March 2015. Despite this, Brent is still up more than 16 percent from its 2018 low in February, due to healthy demand and also because of conflict and tension in the Middle East.
- Although Syria itself is not a significant oil producer, the wider Middle East is the world's most important crude exporter and tension in the region tends to put oil markets on edge.
- Investors continued to worry about the impact of a wider conflict in the Middle East. But with President Donald Trump declaring mission accomplished, investors assumed the worst had been avoided.
- Oil pushed above \$70 a barrel because of concerns about a spike in Middle Eastern tensions. Markets in Asia began cautiously after the weekend strikes, with some relief that the move looked unlikely to escalate.

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	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 a bit during the last week, reaching towards the \$16.75 level. There is a certain amount of resistance near the \$17 level as well, so that short-term trading will continue to be the way this market goes, unless of course we get some type of massive turnabout and risk appetite. A break above the \$17 level could send this market to the \$17.50 level, and possibly beyond that. It also recognize that the \$16 level underneath will be support, extending down to the \$15.50 level. It shows at this market as one that continues to offer short-term buying opportunities, but that the choppy overall attitude of the market is one that you should probably continue to see, so that the Silver markets will probably be best traded from the short-term, as there is no clear momentum. The market will eventually find enough reason to go higher, but there is also the volatility.

Pivot:	16.64		
Support	16.54	16.42	16.33
Resistance	16.80	16.87	16.94

Source: FX EMPIRE

Highlights

- Dealers trimmed their short positions in silver by 3,187 contracts to 36,417 contracts
- May silver added 1.1% to \$16.658 an ounce. It saw a roughly 1.8% weekly gain
- Silver has benefited from last week's safe-haven demand amid increasing geopolitical risks
- A retreat in the dollar kept the metal firmly underpinned, prices have trended sideways since January
- Russia could be disrupted by U.S sanctions fed into a strong technical rebound following the metal's 20 percent fall

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 was down 0.1 percent at \$16.61 an ounce. The U.S Dollar measures the greenback's strength against a basket of six major currencies, was down 0.23% to 89.30. A weaker dollar makes the dollar-denominated metal less expensive for holders of other currencies.
- The first round of strikes on Syria was priced in last week, which is why silver prices might not rally in reaction to the move, but added that any additional strikes could significantly move the precious metal.
- The first attack was within expectations and was already priced in the market. However, if there is a second round of strikes, that is not in line with expectations. So that should prompt a sharp risk-off move in markets. The focus will be on the counter-reaction from Russia.
- Following targeted air strikes by the U.S, U.K, and France can drive silver is likely to begin the new week strongly on geopolitical tensions, though such tensions can quickly be priced out of the situation eases.
- Another strategist said that Western strikes on Syria were surgical, followed by a pullback which could be a calming sign for the markets. Reports show a lot of care was taken not to hit Russian targets, which is a good sign and the market should take heart from that.
- U.S President Donald Trump tweeted out "mission accomplished" following the air strikes on Syria, while U.S Lieutenant General Kenneth McKenzie admitted that he could not guarantee that all of Syrian chemical weapons capabilities were neutralized.
- In the meantime, Russian President Vladimir Putin issued a warning on Sunday, stating that if the West is to target Syria again, it would lead to "chaos." Rising geopolitical tensions have pulled focus away from fears over U.S and China trade spat which had gripped global financial markets in recent weeks.

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	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

Monday, April 16, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon April 16	17:30	USD Empire Manufacturing (APR)	Low		18.6	22.5
Mon April 16	17:30	USD Retail Sales Advance (MoM) (MAR)	High		0.4%	-0.1%
Mon April 16	17:30	USD Retail Sales Ex Auto and Gas (MAR)	Medium		0.4%	0.3%
Mon April 16	17:30	USD Retail Sales Control Group (MAR)	Medium		0.3%	0.1%
Mon April 16	19:00	USD Business Inventories (FEB)	Medium		0.6%	0.6%
Mon April 16	19:00	USD NAHB Housing Market Index (APR)	Medium		70	70
Mon April 16	20:30	USD U.S. to Sell USD 48Bln 3-Month Bills	Low			
Mon April 16	21:00	USD Fed's Kaplan Speaks at International Economic Forum	Low			
Mon April 16	22:15	USD Fed's Bostic Speaks on the Economy and Rural Market Trends	Low			

Source: Forex Factory, DailyFX

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