

Gold

Technical

Gold markets continue to be very negative overall, as it had dropped towards the \$1205 level. There is even more support underneath at the \$1200 level, and this is an area where it makes sense that it could bounce from. Economists think longer-term “buy-and-hold” investors will be looking at this level as a potential entry point. The market continues to be very noisy, but keep in mind that the US dollar has an inverse relationship to gold. It has been strengthening over the last several days, and with the British pound fall in the way it has this has only offered more in the way of pressure on gold as the greenback reigns. This market continues to be very dangerous, but this could be where it turn things around. Otherwise, if it break down below here it’s likely that it go looking towards the \$1140 level, and then eventually the \$1000 level underneath which is even more supportive.

Pivot:	1,212		
Support	1,209	1,207	1,204
Resistance	1,215	1,218	1,220

Source: FX EMPIRE

Highlights

- Gold prices rose today, propped up by buying after a recent price slump
- A strong dollar and expectations of further interest rate hikes in the United States limited interest in the precious metal
- Gold prices have declined nearly 12 percent since mid-April, pressured by a stronger U.S dollar
- The U.S Federal Reserve is widely expected to raise benchmark lending rates
- Higher U.S rates tend to boost the dollar, making greenback-denominated gold more expensive for holders of other currencies

Gold - Technical Indicators

RSI 14	45.94
SMA 20	1,219.5
SMA 50	1,218.0
SMA 100	1,218.2
SMA 200	1,218.3

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices edged up on a steady U.S dollar today, but expectations for further interest rate hikes in the United States supported the greenback and limited interest in the metal.
- Spot gold was up 0.2 percent at \$1,208.06 an ounce. U.S gold futures were little changed at \$1217.10 an ounce. Asian stocks were largely steady today, with worries over the U.S-China trade conflict offsetting support from earnings-led gains on Wall Street.
- Today the pound held near an 11-month low against the dollar reached overnight on worries of a "hard" Brexit for Britain, while simmering U.S-China trade tensions helped support the greenback.
- The dollar index, which measures the greenback against a basket of six major currencies, was unchanged at 95.348. Chinese state media yesterday criticised U.S President Donald Trump's trade policies in an unusually personal attack, and sought to reassure investors anxious about China's economy as growth concerns battered its financial markets.
- China's exports are expected to have maintained solid growth in July despite new tariffs on billions of dollars of shipments to the United States, though the outlook has darkened as both sides raised the stakes in a trade conflict that has rattled financial markets.
- The Trump administration will aggressively enforce economic sanctions that it is re-imposing on Iran this week and expects the measures to have a significant impact on the Iranian economy.
- The European Central Bank continued to skew its government bond purchases towards the longer end of the yield curve last month, broadly maintaining the average remaining maturity of its massive debt pile, data showed yesterday.

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 WTI Crude Oil market initially surged higher during the trading session yesterday, especially in early morning electronic trading, as it reached as high as \$69.60. However, it had pulled back from there to test the \$69 level and found it to be very supportive. This could be the continuation of the surge higher, but it also see a massive amount of resistance near the \$70 level. Because of that, it would be very cautious for anything more than a scout to the upside. There is plenty of resistance near the \$70 level that extends to the \$71 level, so it might get a nice shorting opportunity. However, if it break above \$71, this is a longer-term move to the \$74 level just waiting to happen. Brent markets initially trying to rally during the day as well but found the \$74 level to be a bit resistive, and if it look back at the beginning of the month, there was a small gapped lower at that area.

Pivot:	69.34		
Support	68.82	68.25	67.75
Resistance	69.90	70.45	70.80

Source: FX EMPIRE

Highlights

- Oil futures gained yesterday after OPEC sources said Saudi crude production unexpectedly fell in July
- A global heat wave could also affect the crude oil demand
- Prices had dropped recently assuming that Saudi was going to continue to produce
- The Saudi and Russian production surges appear to be more limited
- The United States also plans to re-introduce sanctions on Iranian oil in November, which could dent the OPEC member's output

Crude - Technical Indicators

RSI 14	46.01
SMA 20	67.75
SMA 50	67.75
SMA 100	67.83
SMA 200	67.75

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices rose today with re-introduced U.S sanctions against major crude exporter Iran expected to tighten global supply. Spot Brent crude oil futures were \$74.17 per barrel, up 42 cents, or 0.6 percent, from their last close.
- U.S West Texas Intermediate (WTI) crude futures were up 30 cents, or 0.4 percent, at \$69.31 barrel. U.S sanctions against Iran, which shipped out almost 3 million barrels per day (bpd) of crude in July.
- The re-imposition of U.S sanctions on Iran remains the key (price) driver in the near-term. Supply losses could range from 600,000 to 1.5 million bpd. The oil market should remain tight, despite OPEC increasing oil production to offset losses elsewhere.
- Many countries, including U.S allies in Europe as well as China and India, oppose the sanctions but the U.S government said it wants as many countries as possible to stop buying Iranian oil. OPEC is slated to release its official monthly oil market report for July on Aug 13.
- It is policy to get as many countries to zero as quickly as possible. While it is going to work with individual countries on a case-by-case basis, but the goal is to reduce the amount of revenue and hard currency going into Iran.
- The main oil market price drivers of recent months have been output levels by top producers Russia, Saudi Arabia and the United States, renewed Iran sanctions, the U.S-China trade dispute, and unplanned supply disruptions.
- Meanwhile, U.S energy companies last week cut oil rigs for a second time in the past three weeks as the rate of growth has slowed over the past couple of months.

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 pulled back a bit during the trading session yesterday, dropping \$0.20 initially, but then found a bit of support near the \$15.28 level. There was a significant rally from just under this level a couple of days ago, so it makes sense that value hunters could be coming back. However, silver is a very choppy and difficult market to trade at times, and it's very expensive in the futures market. Because of this, it need to find a way to play the silver market for value but with a low amount of leverage. Overall, it is bullish longer-term, but also recognize that the US dollar needs to calm down before silver could make some type of bullish move to the upside. In the meantime, it would expect a lot of choppiness, but it also think that there's more risk to the upside than down at these levels.

Pivot:	15.43		
Support	15.34	15.28	15.21
Resistance	15.48	15.55	15.63

Source: FX EMPIRE

Highlights

- Silver prices were moderately lower in lackluster early-afternoon U.S trading yesterday
- Rising tensions between the U.S and Iran could be the next geopolitical flashpoint in the world marketplace, which could boost safe-haven silver
- The U.S dollar index is higher today and is very close to its 12-month high scored a few weeks ago
- September Comex silver was last down \$0.112 at \$15.35 an ounce
- Silver futures were lower 0.76% to \$15.35 a troy ounce

Silver - Technical Indicators

RSI 14	46.94
SMA 20	15.44
SMA 50	15.41
SMA 100	15.41
SMA 200	15.41

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver futures tilted higher in Asian trade as the dollar index traded flat ahead of labor data from the US later today. Silver prices marked up 0.4 percent to \$15.32 an ounce.
- Metal prices were kept on the back foot yesterday, as a rising dollar and lingering U.S trade-war concerns weighed on sentiment. Silver futures due in September rose 0.08% to \$15.36 an ounce, while the dollar index barely slipped 0.03% against a basket of major currencies to 95.33.
- Sentiment is very negative on metals. Silver may be showing some evidence of turning a corner after it was pummeled with gold. Trading in commodities have come amid a focus on global trade tensions, which have helped to buoy the dollar and pressure silver lower.
- The price of the metal remains under a bear hug that has yet to run its course. However, increasing debt levels in the U.S could offer the metal some respite but didn't specify a time.
- Now markets await a survey that track job openings in the US, expected to have increased to 6.74 million in June from 6.64 million in May. The economy added 157 thousand jobs last month, down from 248 thousand in June, and missing estimates of 191K.
- Last Friday saw the release of the US payrolls report, which showed the unemployment rate fell to 3.9% as expected from 4.0% in June, while average hourly earnings rose 0.3% as expected, up from 0.1% in June.
- The wider metal markets traded mix. As trade tensions between the U.S and China increase, investors appear to be betting a strong U.S economy would be able to weather the trade-war storm better than its rivals, raising demand for the dollar, pressuring silver prices.

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

Tuesday, Aug 07, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tues Aug 07	03:30	AUD AiG Performance of Construction Index (JUL)	Medium	52.0		50.6
Tues Aug 07	04:30	JPY Overall Household Spending (YoY) (JUN)	Medium	-1.2%	-1.4%	-3.9%
Tues Aug 07	05:00	JPY Real Cash Earnings (YoY) (JUN)	Medium	2.8%	0.9%	1.3%
Tues Aug 07	09:30	AUD RBA Cash Rate Target (AUG 7)	High	1.50%	1.50%	1.50%
Tues Aug 07	11:00	EUR German Trade Balance (JUN)	Medium	21.8b	20.8b	19.6b
Tues Aug 07	11:00	EUR German Industrial Production n.s.a. and w.d.a. (YoY) (JUN)	Medium	2.5%	3.0%	3.1%
Tues Aug 07	11:00	CHF UBS Real Estate Bubble Index (2Q)	Medium			1.1
Tues Aug 07	19:00	CAD Ivey Purchasing Managers Index s.a. (JUL)	Low			63.1
Tues Aug 07	20:30	USD U.S. to Sell 4-Week Bills	Low			

Source: Forex Factory, DailyFX

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