

Gold

Technical

Gold markets have continued to find selling pressure on rallies, and of course yesterday was no different. The \$1215 level is the beginning of the selling pressure during early New York trading, as the market gave back much of the gains from earlier in the day. The market is trying to tell us that it wants to test the \$1200 level underneath, so it suspect that rallies will continue to be sold. As a shorter-term investor, it would be looking towards selling rallies that show signs of exhaustion, has there should be plenty of them. It's very likely that it will see a lot of volatility, but in the end it suspect that the market is still focusing on \$1200 more than anything else. If it break down significantly below the \$1200 level, that would be extraordinarily bearish for gold, perhaps opening up the door to \$1140 next. Ultimately, it could get some good news, and that could turn things around.

Pivot:	1,215		
Support	1,210	1,208	1,206
Resistance	1,216	1,218	1,220

Source: FX EMPIRE

Highlights

- Gold climbed nearly 1 percent yesterday, having drifted near \$1,200 an ounce this week
- A weak dollar makes dollar-priced gold cheaper for non-U.S. investors
- At the moment gold is more sensitive to the yuan than the dollar, so if the dollar is rallying but not against the yuan, gold is stable
- Signals are mixed for spot gold, as it seems to be stuck in a neutral range of \$1,206-\$1,220 per ounce
- World shares edged towards a six-month high amid the rally in Chinese stocks

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 were steady early today, after rising in the previous session, as the U.S dollar softened against China's yuan and the euro. Despite recent weakness, the dollar index rose more than 6% since mid-April.
- Spot gold was unchanged at \$1,210.91 an ounce, after rising 0.4 percent in the previous session. U.S gold futures were up 0.1 pct at \$1219.4 an ounce. Rate hikes by the Federal Reserve were cited as supportive for the dollar.
- The dollar index, which measures the greenback against a basket of six major currencies, was down 0.1 percent at 95.133. Asian shares rose today on the back of firmer Wall Street earnings while expectations for increased Chinese stimulus helped take the edge off wider concerns about the worsening Sino-U.S trade dispute.
- The United States will begin collecting 25 percent tariffs on another \$16 billion in Chinese goods on Aug 23, the U.S Trade Representative's office said yesterday as it published a final tariff list targeting 279 imported product lines.
- A reversal in gold prices is in the offing, as speculation of a trade war and Iranian sanctions are turning into reality. Further, record short investors positions in gold strengthen our conviction of a price recovery in H2.
- The move would be the second time the Trump administration imposed duties on Chinese imports since July. The U.S levied 25% duties on \$34 billion in Chinese goods on July 6. In response, China followed up by imposing duties on the same value of U.S products.
- U.S job openings held near record highs in June amid a modest decline in hiring, pointing to a further tightening of labour market conditions, which economists hope will soon spur faster wage growth.

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 reaches high as \$69.80 during trading pre-market, but once the futures investors in America got involved, they slammed the market back down to the \$69.15 area. Since then, it had bounced quite nicely and it looks as if the market is going to continue to try to grind to the upside, but the way of resistance above the \$70 is going to take a specific “supply negative event” for investors to jump in and bust through this major barrier that it extends to the \$71 level. Economists believe that it continue to see a lot of chop in the short term. Brent markets were a bit more resilient, as they recovered the losses much quicker. The \$75 level above continues offer significant resistance though, and it is going to take some type of news item to finally push this market above there. After that, it might see significant resistance near the \$75.50 level as well.

Pivot:	69.14		
Support	69.00	68.65	68.25
Resistance	69.50	69.90	70.45

Source: FX EMPIRE

Highlights

- Oil prices were mixed as the Iran's exports fell after U.S re-imposed economic and crude sanctions
- Oil demand growth is expected to rise 290,000 bpd in 2019, compared with 330,000 bpd previously expected
- Output was expected to rise 1.31 million bpd to 10.68 million bpd in 2018
- Iran's oil exports dropped for the third consecutive month by 7% to 2.32 million barrel per day in July
- Crude inventories decreased by 6 million barrels in the week to Aug 3 to 407.2 million

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 dipped today after China reported relatively weak import data, although the market remained well supported by falling U.S crude inventories and the introduction of sanctions against Iran.
- Front-month Brent crude oil futures were at \$74.50 per barrel, down 15 cents, or 0.2 percent, from their last close. U.S West Texas Intermediate (WTI) crude futures were at \$69.15 per barrel, down 2 cents.
- China's July crude oil imports recovered slightly in July after falling for the previous two months, but were still among the lowest this year due to a drop-off in demand from the country's smaller independent, or "teapot", refineries.
- Shipments into the world's biggest importer of crude came in at 36.02 million tonnes last month, or 8.48 million bpd, up from 8.18 million bpd a year ago, and just up on June's 8.36 million bpd, data from the General Administration of Customs showed.
- Markets were still supported by the introduction of new U.S sanctions against Iran yesterday, which initially target Iran's purchases of U.S dollars in which oil is traded.
- Iran is the third-largest producer among the members of the Organization of the Petroleum Exporting Countries (OPEC). It shipped out almost 3 million barrels per day (bpd) of crude in September, equivalent to around 3 percent of global demand.
- The oil market was focusing on the U.S market, where the American Petroleum Institute said yesterday that crude inventories fell by 6 million barrels in the week to Aug. 3 to 407.2 million.

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 were positive to kick off the session yesterday, reaching towards the \$15.45 level where it found quite a bit of selling on heavier volume. This coincided with the open of the US session, sending the market down to retrace about half of the gains from earlier in the day. As it can see on the chart, it has a couple of lines drawn: one at the \$15.50 level, and another at the \$15.25 level. Economists believe this is the area that it is going to be trading in for the short term, and therefore it range bound systems could be deployed in this region. There is even more support below at the \$15 level, so the longer-term investors would jump in there. In the meantime, it might as well play with the market is offering, which is a \$0.25 range as marked on my hourly chart.

Pivot:	15.42		
Support	15.31	15.25	15.21
Resistance	15.48	15.55	15.61

Source: FX EMPIRE

Highlights

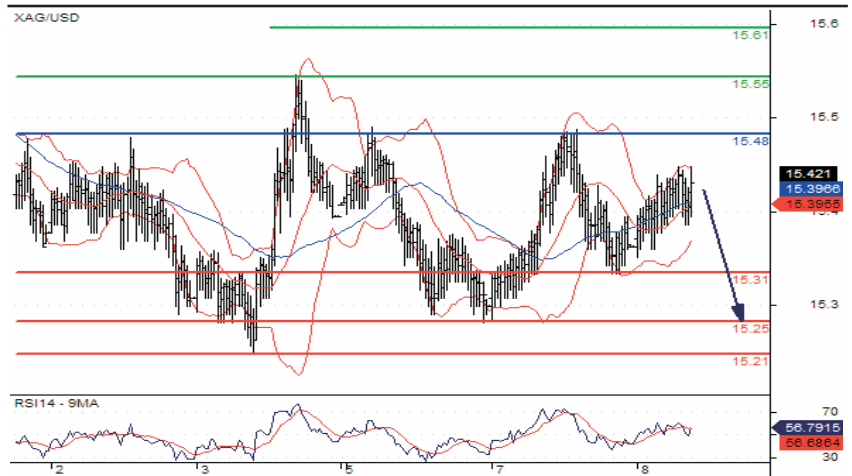
- Silver prices marked up 0.5 percent at \$15.40 an ounce
- The U.S dollar continues to gain strength as tensions from potential trade wars continue to ratchet up
- The U.S dollar index is currently trading at 95.19 and up 22 points on the day
- September Comex silver was last up \$0.057 at \$15.405 an ounce
- A week after the Federal Open Market Committee voted to hold overnight interest rates unchanged at below 2.0%

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 prices are moderately higher in early U.S trading yesterday, on corrective rebounds from recent selling pressure that drove both markets to 12-month lows recently. Still, the near-term technical postures for both metals remain fully bearish.
- Silver futures rose in Asian trade as the dollar index extended decline from July 19 highs, following earlier trade data from China, the world's largest metals consumer, and amid a lack of releases in the US today.
- Silver futures due in September rose 0.44% to \$15.44 an ounce, while the dollar index dipped 0.16% against an array of main currencies to 95.03. Now markets await a speech by Federal Reserve Bank of Richmond President Thomas Barkin at a town hall event, in Virginia.
- Earlier Chinese data showed the trade surplus fell to 177 billion yuan, or \$28.1 billion in July, compared to 262 billion yuan in June, and missing estimates of 229 billion, as imports outpaced exports last month.
- Global stock markets were mostly higher overnight. U.S stock indexes are pointed toward firmer openings when the New York day session begins. There continues to be no significant risk aversion in the world marketplace, and that's working against the safe-haven silver markets.
- The U.S dollar index is weaker today but still not far below its recent 12-month high. The Turkish lira fell to a new low against the dollar this week, as an example of how the secondary world currencies have been punished by a stronger U.S dollar.
- Rising tensions between the U.S and Iran could be the next geopolitical flashpoint in the world marketplace, which could boost safe-haven gold and 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

Wednesday, Aug 08, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Aug 08	04:50	JPY Bank Lending Ex-Trusts (YoY) (JUL)	Medium	2.0%		2.1%
Wed Aug 08	06:30	AUD Home Loans (MoM) (JUN)	Medium	-1.1%	0.0%	1.0%
Wed Aug 08	08:05	AUD RBA Governor Lowe Speech in Sydney (AUG 8)	High			
Wed Aug 08	08:05	CNY Trade Balance CNY (JUL)	Medium	227.1b	176.96b	261.88b
Wed Aug 08	09:30	JPY Bankruptcies (YoY) (JUL)	Medium	-1.68%		-2.26%
Wed Aug 08	10:00	JPY Eco Watchers Survey Outlook SA (JUL)	Medium	49.0	49.8	50
Wed Aug 08	16:00	USD MBA Mortgage Applications (AUG 3)	Medium			
Wed Aug 08	17:30	CAD Building Permits (MoM) (JUN)	Medium		-1.2%	4.7%
Wed Aug 08	19:30	USD DOE U.S. Crude Oil Inventories (AUG 3)	Medium		-2164.00k	3803k

Source: Forex Factory, DailyFX

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