

## Gold

### Technical

Gold markets have rallied slightly yesterday, only to give back most of the gains, and then bounce again. The market is essentially unchanged, which is a good indication of how markets around the world have been behaving during the day. Commodities were relatively quiet, at this point a lot of people are worried about global trade risks and of course geopolitical concerns. Economists believe that the market should continue to be very noisy, but as it has drifted through a downtrend line, the buyers are starting to become just a bit more aggressive. It is might going to explode to the upside but also recognize that the market has certainly found the area below supportive. Market players think there is a massive support “zone” from \$1200 to the \$1205 level. If it break down below the \$1200 level, that would be a very negative sign and could send this market much lower.

Pivot:	1,207		
Support	1,204	1,200	1,195
Resistance	1,213	1,216	1,218

Source: FX EMPIRE

### Highlights

- Gold prices fell despite a softer dollar as investors assessed the impact of the latest tit-for-tat in the trade war between the U.S and China
- The metal was also on track to post a fifth weekly decline
- The strongest U.S Dollar is effecting the price of gold
- Despite heightened geopolitical tensions, gold bears are still in control of the price and pushing the bulls out of their boundary
- Decline in gold was partly triggered by profit taking by investors after two consecutive days of gains

### 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 dipped in Asia today, languishing near a one- year low, weighed down by a rally in the U.S dollar amid heightened global political tensions. The U.S economy is performing “very well” with continued growth clearing the way for one or two more interest rate hikes in 2018.
- Spot gold shed 0.5 percent to \$1,206.29 an ounce, hovering close to its one-year low of \$1,204 hit last week. Spot gold looks neutral in a range of \$1,206-\$1,220 per ounce. U.S gold futures were 0.5 percent lower at \$1,213.4 an ounce.
- The strong dollar is effecting the price of gold. Despite heightened geopolitical tensions, gold bears are still in control of the price and pushing the bulls out of their boundary. Higher U.S rates tend to boost the dollar and Treasury yields, adding pressure on greenback-denominated, non-yielding bullion.
- The U.S dollar, in which gold is priced, extended gains to hit a 13-month high against a basket of peers as European currencies such as the pound and euro continued to lose traction. A stronger dollar can make purchasing dollar-pegged metals less attractive to buyers using other currencies.
- Meanwhile, fresh U.S sanctions against Moscow saw Russia’s rouble near a two-year low, while the Turkish lira plumbed a record low in the wake of a diplomatic rift with the United States.
- Gold prices, which can gain during times of uncertainty, have largely failed to benefit from rising geopolitical tensions this year, as investors have chosen the safety of the dollar over the precious metal.
- Adding pressure on gold were expectations for higher interest rates in the United States, where the Federal Reserve is expected to raise benchmark lending rates next month for the third time this year.

### 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 has been very choppy during the trading session yesterday, dancing around the \$67 level. This is an area that has been supported on longer-term charts, so it makes sense that it would see a bit of interest in this area. However, the market is going to try to make a decision here. At this point, it's likely that the market finding stability here could be thought of as a good thing, as the brutal sell off has been a bit much. However, if it make a fresh, new low, it's likely that the market will unwind even further. Longer-term charts do suggest an uptrend line underneath is well though. Brent markets were very noisy yesterday, using the \$72 level as support. This is an area where buyers have been interested before, so the fact that it has bounced me here is a huge surprise. At this point, the market is simply trying to digest all of the news and the selling off.

Pivot:	66.45		
Support	66.10	65.75	65.30
Resistance	67.00	67.40	68.00

Source: FX EMPIRE

### Highlights

- Oil prices have rallied close to \$80 per barrel, their highest since 2014
- A price war is brewing between top oil producers in the Middle East, and the U.S
- Light crude pumped by OPEC's third-largest producer will be sold at its cheapest level in 14 years
- The drop-off in Iranian crude exports to range between 500,000 barrels per day and 1.3 million bpd
- Iran is OPEC's third-largest producer, with output at around 4 million barrels per day

### 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 on worries that an escalating trade dispute between Washington and Beijing will stall economic growth and demand for fuel, even as renewed U.S sanctions against Iran are expected to tighten supplies.
- Brent crude oil futures were at \$71.88 per barrel, down 19 cents, or 0.3 percent from their last close. U.S West Texas Intermediate crude futures were down by 22 cents, or 0.3 percent, at \$66.59 a barrel. For the week, Brent is set for a near 2 percent fall, while WTI is heading for a drop of nearly 3 percent.
- The market seems to be focused on fears of reduced demand from China, partially due to the effects of the trade wars between China and the United States.
- Devaluations have made imports of oil, which is traded in U.S dollars, more expensive, potentially denting demand. Growing global trade tensions have also led to a slump in the currencies of major emerging economies.
- The major devaluation of many emerging market currencies relative to the U.S dollar means that in local terms oil is higher. U.S investment bank Jefferies said today.
- China's automobile sales fell 4.0 percent in July from a year earlier to 1.89 million vehicles, an industry association said today, amid rising concern over the potential fallout of a Sino-U.S trade spat.
- The price of Iranian oil, as well as the country's ability to export its cargoes, has come under the spotlight after U.S President Donald Trump's withdrawal from an global accord reached in 2015 over Iranian's nuclear ambitions. A rise in inflation and placed the country's economy on the verge of a breakdown.

### 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 tried to rally yesterday, reaching towards the \$15.50 level above. Economists believe that the market breaking above there significantly could free the Silver market going to the \$16 level above. The market is trying to find a bit of a bottom underneath, but that doesn't mean it's going to happen today. The \$15 level underneath is massive support on the longer-term time frames, and that something that you need to be aware of. A longer-term investor, this is an area of accumulation. This is an area of range bound trading that can take advantage of by using a range bound system. It will continue to see a lot of noise based upon geopolitical concerns, and of course how that affects the US dollar. Longer-term investors are starting to accumulate physical silver at these lower levels.

Pivot:	15.31		
Support	15.26	15.16	15.07
Resistance	15.44	15.51	15.55

Source: FX EMPIRE

### Highlights

- Silver prices touched lower 0.6 percent to \$15.32 an ounce
- More than 90% investors continue to expect the Fed to hike rates next month, while more than 60% investors see a fourth rate hike
- The U.S dollar index, which measures the greenback against a trade-weighted basket of six major currencies, rose by 0.36% to 95.29
- September Comex silver was last up \$0.038 at \$15.47 an ounce
- U.S dollar index higher and trading near its recent 12-month high

### 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 steady to slightly higher in quieter early-afternoon U.S trading yesterday. Both metals are seeing some stabilization this week after recently notching 12-month lows.
- Silver futures tited higher in American trade to August 3 highs, following strong inflation data from China, the world's largest metals consumer, while the dollar index advanced after upbeat inflation and labor data from the US.
- Silver futures due in September rose 0.25% to \$15.47 an ounce, while the dollar index added 0.31% to 95.39 against a basket of major rivals. The Russian ruble hit a two-year low against the U.S dollar overnight as the U.S hit Russia with new economic sanctions.
- Earlier US data showed producer prices were unchanged in July, compared to a 0.3% increase in June, and missing estimates of 0.2%. Core prices, excluding food and energy, rose 0.1%, while those excluding trade services as well rose 0.3%, indicating solid momentum in the economy.
- U.S producer prices in July were unchanged, versus pre-report expectations for a rise of 0.2% from June. This report was the most significant U.S economic report so far this week. The more closely watched consumer price index is due out Friday morning. CPI for July is forecast to come in at up 0.2% from June.
- US unemployment claims fell surprisingly by 6 thousand to 213 thousand from 219K, beating expectations of an increase to 220K. Continuing claims for the week ending July 28 rose 29 thousand to 1.755 million from 1.726 million, missing expectations of 1.730 million.
- The Turkish lira fell to another record low against the greenback. The British pound is under pressure on Brexit uncertainties. Currency markets are not in such as state as to prompt any safe-haven demand for silver.

### 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

Friday, Aug 10, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Aug 10	13:30	GBP Gross Domestic Product (YoY) (2Q P)	High	1.3%	1.3%	1.2%
Fri Aug 10	17:30	CAD Hourly Earnings Permanent Employees (YoY) (JUL)	Medium		3.6%	3.5%
Fri Aug 10	17:30	CAD Net Change in Employment (JUL)	High		17.0k	31.8k
Fri Aug 10	17:30	CAD Unemployment Rate (JUL)	High		5.9%	6.0%
Fri Aug 10	17:30	USD Consumer Price Index (YoY) (JUL)	High		2.9%	2.9%
Fri Aug 10	17:30	USD Consumer Price Index Ex Food and Energy (YoY) (JUL)	High		2.3%	2.3%
Fri Aug 10	17:30	USD Real Avg Weekly Earnings (YoY) (JUL)	Medium			0.2%
Fri Aug 10	22:00	USD Baker Hughes U.S. Rig Count (AUG 10)	Medium			
Fri Aug 10	23:00	USD Monthly Budget Statement (JUL)	Medium			-\$74.9b

Source: Forex Factory, DailyFX

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