

## Gold

### Technical

Gold markets continue to be very positive overall, grinding higher and towards the \$1225 level. Economists believe that the market will probably continue to be somewhat resilient, but at this point it may need to take a bit of a breather as the \$1225 level is a major round figure. There is a lot of attention at that level historically, so it's only a matter of time before it will have some significant resistance. However, if it can clear that level, the market will then end up being very bullish and should continue to go even higher. The reality of the situation is that the market is probably paying more attention to the US dollar than anything else, so if it continues to be somewhat tepid, that should help Gold markets overall. Market players think gold got a little oversold, but it wouldn't take much to have people spooked right back into the greenback, and that of course could cause major issues.

Pivot:	1,204		
Support	1,200	1,196	1,192
Resistance	1,208	1,214	1,217

Source: FX EMPIRE

### Highlights

- Gold prices edged higher today after the previous session's sharp fall
- Spot gold is expected to retest a support at \$1,200 per ounce
- A weaker U.S dollar index is a bullish element for the precious metals markets
- With the dollar now churning, gold has largely stabilized above \$1,200 since grazing a 1 1/2-year low in the middle of August
- Gold prices have recovered some ground after touching a 1-1/2-year low on Aug. 16 and are holding above the key psychological level \$1,200

### 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 today after falling as much as 1 percent in the previous session, but Sino-U.S trade tensions continued to drag on the precious metal. Gold often trades higher when the dollar weakens, and vice versa, because the precious metal is most actively traded in the greenback. The dollar has been the primary driver for gold action in 2018.
- Spot gold was up 0.1 percent at \$1,202.46 an ounce. Prices hit their highest since Aug. 10 at \$1,214.28 yesterday, but fell as much as 1 percent later in the session. U.S gold futures were down 0.5 percent at \$1,208.90 an ounce today.
- U.S and Chinese officials ended two days of talks last week with no major breakthrough as their trade war escalated with activation of another round of duelling tariffs.
- The dollar, which had risen recently on safe-haven buying from investors nervous about the trade dispute and U.S interest rate hikes, slipped to four-week lows yesterday after a trade deal between U.S and Mexico.
- The dollar index, which measures the greenback against a basket of currencies, was mostly steady today at 94.756. In recent months, investors have sought safety from global trade conflict in U.S Treasuries, which entails buying dollars.
- As long as the trade tensions between U.S and China continue to persist, the U.S dollar will benefit, hurting gold. Whereas U.S Treasury yields rose yesterday across maturities to weekly highs.
- Gold has lost its appeal as a safe-haven asset, having fallen 7.5 percent this year, amid international trade disputes and the Turkish currency crisis, with investors increasingly turning to the dollar instead.

### 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 struggled at the \$69 level during the trading session yesterday, only to turn around and fall towards support at \$68.50. The hourly chart is starting to form a couple of hammers, which of course is a good sign and therefore it's only a matter of time before the buyers come back into the marketplace and try to push things higher. In other words, it's a "buy on the dips" situation. Brent markets also have their own struggles above at the \$77 level. Because of this, the market looks likely to pull back toward support, which is at the \$76.50 level, and then again at the \$76 level. Also, pay attention to the US dollar because it will certainly have its influence as well. The US dollar falling of course would help, so pay attention to that as well. The market is not in a position to change the trend to down, but it is in the window of time for a potentially bearish closing price reversal top.

Pivot:	68.54		
Support	68.10	67.80	67.30
Resistance	69.00	69.30	69.65

Source: FX EMPIRE

### Highlights

- Oil prices slipped today, pulled down by a rise in U.S inventories
- Bowing to pressure from Washington, many crude buyers have already reduced orders from Iran, OPEC's third-biggest producer
- Oil prices inched up despite data showed an unexpected gain in U.S crude inventories
- Investors also assessed the impact of the upcoming U.S sanctions against Iran
- U.S crude stockpiles fell just 0.686 million barrels last week, which pales in comparison to the 5.836 million barrel decline in the prior week

### 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 steadied today, supported by news of a fall in Iranian crude supplies as U.S sanctions deter buyers, but held back by evidence of a rise in U.S inventories.
- Benchmark Brent crude oil was unchanged at \$75.95 a barrel. U.S light crude was 5 cents higher at \$68.58 a barrel. U.S sanctions towards Iran are now increasingly kicking in which will help to dry up the physical crude oil market.
- Iran's crude oil and condensate exports in August are set to drop below 70 million barrels for the first time since April 2017, well ahead of the Nov. 4 start date for a second round of U.S economic sanctions.
- Although Tehran is offering steep discounts, Iran's August crude oil and condensate loadings are estimated at 2.06 million bpd, versus a peak of 3.09 million bpd in April.
- U.S crude inventories rose by 38,000 barrels to 405.7 million barrels in the week to Aug. 24, the American Petroleum Institute said yesterday. Official U.S fuel inventory and crude production data will be published later today by the Energy Information Administration (EIA).
- Despite the risk of disruption, especially from OPEC-countries like Venezuela, Iran, Libya and Nigeria, Bank of America Merrill Lynch said global supply could climb towards the end of the year.
- Heading into 4Q18, it expect rising non-OPEC oil production as supply outages abate and greenfield projects ramp up. Non-OPEC supply outages are at a 15-month high of 730,000 bpd. However, nearly half of these volumes are in the process of being restored.

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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 is a very difficult market to trade at times, because it becomes so choppy and of course is into as liquid as the gold market. However, if there is also the possibility of buying physical silver as well, but that's more of a longer-term trade. Economists do believe that silver will continue to go higher as the fears of a trade war abate, and perhaps the US dollar softens a bit, but obviously it's going to be a very rocky move to the upside but then again, that's normal. The \$15 level above will continue to cause fits for buyers, but if it can clear that the market should turn around and go much higher and perhaps towards the \$17 level over the longer-term. There is a massive amount of support at the \$14 level, so it would not hesitate to buy down at that level as well.

Pivot:	14.75		
Support	14.66	14.60	14.51
Resistance	14.80	14.92	15.00

Source: FX EMPIRE

### Highlights

- Spot silver prices marked up 0.5 percent at \$14.73/oz
- Investors are parking more money in riskier assets, which are giving terrific returns and that may cap upside in silver
- A fall in the dollar makes silver cheaper for holders of foreign currency and raises demand
- Dollar-denominated assets such as silver are sensitive to moves in the dollar as investors continued to ditch the greenback
- Silver futures inched down 0.77% to \$14.75 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 slipped nearly one percent in Asian trade away from August 15 highs, as the dollar index traded flat but not far from July 31 lows, ahead of US GDP and housing data later today.
- Silver futures due in December declined 0.66% to \$14.80 an ounce away from two-week highs, while the dollar index traded flat at 94.73 against an array of major rivals.
- Markets await the second reading for US GDP growth, expected at 4% in the second quarter, compared to 4.1% in the first reading, while pending home sales are estimated to have increased 0.3% in July, slowing down sharply from 0.9% in June.
- US stock indices marked successive record highs after US and Mexico reached a landmark deal on the NAFTA trade deal, with President Donald Trump hailing its success after a stretched period of tensions with America's southern partner.
- The deal focuses on labor issues with regard to the automotive industry, with Canada now becoming the only holdout in the three-way NAFTA deal. The wider metals market traded mixed as concerns about the China-U.S trade war offset gains from a weaker a dollar.
- However, the US-China trade talks conducted a few days ago failed to stop new 25% US tariffs on \$16 billion worth of Chinese imports, with Chinese retaliating with similar measures, escalating a long-standing trade dispute between the world's two largest economies.
- A weaker U.S dollar index on this day was a bullish element for the precious metals markets that did limit the downside pressure. However, with little risk aversion among investors at present, the upside for the safe-haven metals.

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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 29, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Aug 29	11:00	EUR German GfK Consumer Confidence (SEP)	Medium	10.5	10.6	10.6
Wed Aug 29	11:45	EUR French Gross Domestic Product (YoY) (2Q P)	Medium	1.7%	1.7%	1.7%
Wed Aug 29	16:00	USD MBA Mortgage Applications (AUG 24)	Medium	-1.7%		4.2%
Wed Aug 29	17:30	USD Gross Domestic Product Annualized (QoQ) (2Q S)	High		4.0%	4.1%
Wed Aug 29	17:30	USD Gross Domestic Product Price Index (2Q S)	High		3.0%	3.0%
Wed Aug 29	17:30	USD Personal Consumption (2Q S)	Medium		3.9%	4.0%
Wed Aug 29	17:30	USD Core Personal Consumption Expenditure (QoQ) (2Q S)	Medium		2.0%	2.0%
Wed Aug 29	19:00	USD Pending Home Sales (YoY) (JUL)	Medium			-4.0%
Wed Aug 29	19:30	USD DOE U.S. Crude Oil Inventories (AUG 24)	Medium			

Source: Forex Factory, DailyFX

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