

Gold

Technical

Gold prices slipped through support on Monday below an upward sloping trend line that connects the lows in May to the lows in June and July and comes in near 1,337. Additional support on the yellow metal is now seen near the 50-day moving average at 1,310. Resistance is seen near the August highs at 1,366. Solid data in the U.S. is lifting yields and helping the dollar gain traction which is negative to the yellow metal. Momentum is negative as the MACD (moving average convergence divergence) index generated a sell signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses below the 9-day moving average of the spread. The index moved from positive to negative territory confirming the sell signal. The index is printing in the red with a downward sloping trajectory which points to lower prices for the yellow metal.

Pivot:	1,332		
Support	1,325	1,321	1,313
Resistance	1,346	1,354	1,359

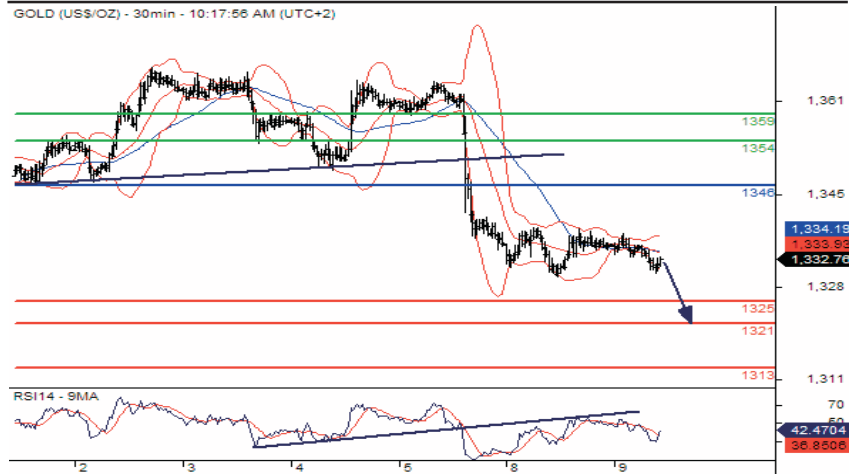
Highlights

- Gold prices fell for the second session in a row, as auspicious U.S employment data released Friday curbed haven demand
- Gold for December delivery settled down 0.2% at \$1,341.30 a troy ounce
- The precious metal sustained its loss since on Friday, following the announcement that the U.S added 255,000 jobs in July
- The probability of the Fed raising rates this year has increased to 47%
- Physical demand for gold in countries like China and India has been generally weak

Gold - Technical Indicators

RSI 14	50.77
SMA 20	1,337.02
SMA 50	1,324.64
SMA 100	1,287.92
SMA 200	1,223.47

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold slipped today in Asian session and continued to hover near one-week lows hit in the previous session as the dollar firmed amid increasing possibilities of a rate hike by the U.S. Federal Reserve this year.
- Spot gold eased 0.2 percent to \$1,331.97 an ounce. The metal touched its lowest since July 29 at \$1,329.55 on Monday. U.S. gold edged down 0.3 percent to \$1,337.60 an ounce.
- The dollar index, which gauges the greenback against a basket of six major rivals, erased earlier slight losses and edged up 0.1 percent to as much as 96.514. Gold prices are in defensive mode after suffering quite a bit on Friday. It reflects market's expectations of a rate hike by the U.S. Fed in December
- Prices have been resilient in the face of a rising U.S. dollar and prospects of a rate hike as other countries are increasingly looking to raise stimulus. The U.S. economy is at increasing risk of becoming trapped in a prolonged phase of slow growth that points to the need for lower interest rates than previously expected, Federal Reserve policymaker Jerome Powell was quoted as saying.
- Gold is highly sensitive to rising rates, which lift the opportunity cost of holding non-yielding assets such as bullion, while boosting the dollar, in which it is priced.
- There were significant long positions last week and the liquidation after the non-farm payrolls data put pressure on prices, a Hong Kong-based precious metals trader said.
- Investors are still putting more money into gold. There is something on the horizon that they should be looking, especially the U.S. elections. That will give uncertainty to the markets and will be good for gold. Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.67 percent to 973.81 tonnes 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	
5/10/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
5/17/2016	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
5/24/2016	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
5/31/2016	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
6/07/2016	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

WTI Crude oil continues to advance, printing 43.38 highs, in tandem with Brent Crude oil. The July 27 top of 43.20, which was former resistance is now short term support. The rally carried on uninterrupted, despite an earlier report from Genscape, which revealed over a 300k barrel inventory increase at the Cushing, OK storage hub in the latest reporting week. Resistance on WTI is seen near the 50-day moving average at 46.40. Momentum is positive as the MACD (moving average convergence divergence) index generated a buy signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses above the 9-day moving average of the spread. The index moved from negative to positive territory confirming the buy signal. The index is printing in the black with an upward sloping trajectory which points to higher prices for the crude oil.

Pivot:	42.69		
Support	42.00	41.00	40.40
Resistance	43.80	44.50	45.20

Highlights

- Oil dropped from the highest close in two weeks amid doubts that OPEC members will lead to any action to tighten supplies
- Futures slid as much as 1.2 percent in New York after rising 2.9 percent yesterday
- Members of the OPEC are in constant deliberations on stabilizing the market
- Oil has fluctuated since closing in a bear market last week after tumbling more than 20 percent since June
- West Texas Intermediate for September delivery lost as much as 52 cents to \$42.50

Crude - Technical Indicators

RSI 14	38.63
SMA 20	42.96
SMA 50	45.89
SMA 100	46.02
SMA 200	40.31

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil fell below \$43 a barrel today after rallying to a two-week high the previous day, as concern about a supply glut outweighed hopes of producer action to prop up prices.
- In the latest sign of ample supplies, market intelligence firm Genscape reported a rise of more than 307,000 barrels at the Cushing, Oklahoma delivery hub for U.S. crude. U.S. inventory reports are due today.
- OPEC comments helped fuel the gain on Monday. Its president Qatar, in a rare statement on the market outlook issued by the group's Vienna headquarters, said the market was on the path to rebalancing and the drop in prices would be temporary.
- OPEC sources have been saying since June that renewed talks about a global output freeze could take place in September, when most members, plus non-members such as Russia, are expected to attend an International Energy Forum meeting in Algeria.
- The oil minister for cash-strapped Venezuela sought to keep alive the prospect of producer action to boost prices, saying on Monday a meeting between OPEC and non-OPEC countries may take place "in the coming weeks".
- But Russia said it does not see grounds for new talks with OPEC yet. Iran, which refused to join an initiative discussed earlier this year to freeze output levels, has not said whether it would cooperate with any new effort. Later on today, the latest round of U.S. inventory reports will be in focus. Analysts in a Reuters poll forecast that U.S. crude stockpiles fell by 1 million barrels last week.
- The American Petroleum Institute, an industry group, is due to release its inventory update later in today's U.S session, ahead of the government's report on Wednesday.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
5/17/2016	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
5/24/2016	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
5/31/2016	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
6/07/2016	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

The silver market gapped lower at the open in yesterday's trading session, but found the area near the \$19.50 level to be supportive enough to turn around and form a positive candle. Economists believe at this point in time the \$19.25 level below is supportive, and therefore they believe that buying is the only thing that investors can do in this market as the longer-term uptrend continues to show quite a bit of bullish pressure. On top of that, the silver market have already cleared the top of the gap, and that's a very bullish sign for the future. This price action has silver approaching the bottom-end of the range near 19.20. Resistance comes in at between 19.93 and 20.03. In the short-run, silver is unlikely to overcome both levels with conviction if a move is to continue to the 19.20 level, making it a key area for shorts to look for strength to turn back into weakness.

Pivot:	19.67		
Support	19.47	19.30	19.20
Resistance	20.01	20.19	20.43

Highlights

- Silver was able to find support above \$19.50 per ounce with the underlying consolidation below \$20.00
- After sharp losses following Friday's employment data, silver prices were able to close to \$19.60
- The latest CFTC non-commercial data recorded a small decline in long silver positions to just below 93,500 for the latest week
- The US labor market conditions index moved back above zero with a 1.0 gain for July
- The dollar maintained a solid tone yesterday with the trade-weighted index rising around 0.15%

Silver - Technical Indicators

RSI 14	61.11
SMA 20	20.08
SMA 50	19.01
SMA 100	17.87
SMA 200	16.27

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices edged lower in yesterday's trading session, extending last week's decline as gains in the US dollar intensified following Friday's impressive non-farm payrolls numbers.
- Silver for September delivery fell 5 cents or 0.3% to \$19.77 a troy ounce on the Comex division of the New York Mercantile Exchange. Prices were down 30 cents through the overnight session before paring losses.
- The grey metal plunged 3% on Friday after US government data showed much bigger than expected gains in nonfarm payrolls. The US economy added 255,000 jobs last month following an upwardly revised gain of 292,000 in June, the Labor Department said. The nonfarm payrolls report triggered sharp declines in precious metals at the expense of the US dollar.
- The same pattern was observed yesterday. The gold/silver ratio reached a daily high of 68.12. Gold's premium over silver rose sharply last week as the grey metal fell sharply from two-year highs.
- The US dollar was on track for its fourth consecutive daily advance. The dollar index, which tracks the performance of the US currency against a basket of six rivals, rose 0.2% to 96.37. German industrial production rose faster than expected in June, raising cautious optimism about the health of Europe's largest economy.
- Friday's nonfarm payrolls report increased expectations for a Federal Reserve rate hike. Traders are now pricing in about a 43% chance of a rate increase before the end of the year, according to CME's Fed Fund futures prices.
- In economic data, China's trade surplus widened unexpectedly last month, as imports fell at a faster pace than exports. In US dollar terms, Beijing's trade surplus reached \$52.3 billion in July, up from \$48.1 billion. Imports plunged 12.5% annually. Exports were down 4.4% in the 12 months through July.

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	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
5/17/2016	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
5/24/2016	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
5/31/2016	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
6/07/2016	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Tuesday, August 09, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Aug 09	06:30	AUD NAB Business Confidence (JUL)	Medium	4		5
Tue Aug 09	06:30	CNY Consumer Price Index (YoY) (JUL)	High	1.8%	1.8%	1.9%
Tue Aug 09	06:30	CNY Producer Price Index (YoY) (JUL)	Medium	-1.7%	-2.0%	-2.6%
Tue Aug 09	10:45	CHF Unemployment Rate (JUL)	Medium	3.1%	3.1%	3.1%
Tue Aug 09	11:00	JPY Machine Tool Orders (YoY) (JUL)	Medium	-19.6%		-19.9%
Tue Aug 09	13:30	GBP Industrial Production (YoY) (JUN)	Medium	1.6%	1.6%	1.4%
Tue Aug 09	13:30	GBP Manufacturing Production (YoY) (JUN)	Medium	0.9%	1.3%	1.5%
Tue Aug 09	13:30	GBP Visible Trade Balance (Pounds) (JUN)	Medium	-£12409	-£10075	-£11526
Tue Aug 09	19:00	USD Wholesale Inventories (JUN)	Medium		0.0%	0.1%

Source: Forex Factory, DailyFX

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