

Gold

Technical

Gold price moved lower on Thursday ahead of Yellen's speech on Friday and following a stronger than expected Durable goods orders which buoyed the greenback. Resistance is seen near the 10-day moving average while support is seen near the July lows at 1,309. Momentum is negative as the MACD (moving average convergence divergence) index recently 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. U.S. durable goods orders popped 4.4% in July, compared to the 3.6% expected, after dropping 4.2% in June and 2.9% in May. Transportation orders rebounded 10.5% following declines of 11.4% and 7.1% in June and May, respectively. Nondefense capital goods shipments excluding aircraft dipped 0.4% from -0.5%.

Pivot:	1,323		
Support	1,315	1,310	1,304
Resistance	1,331	1,340	1,345

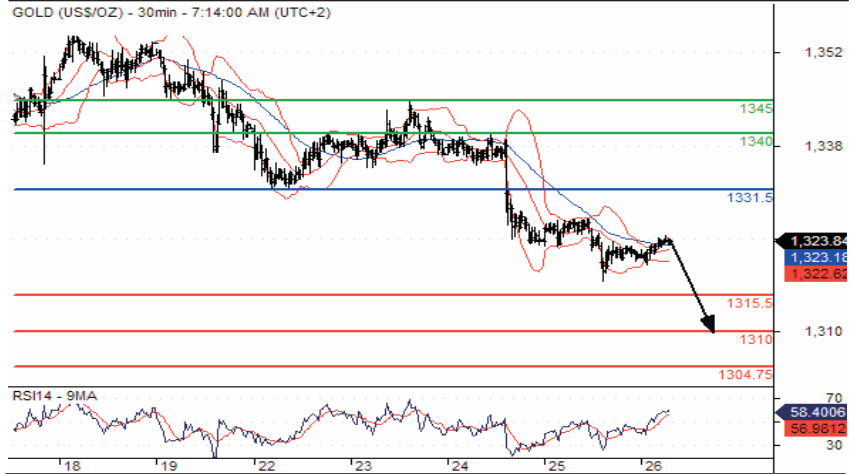
Highlights

- Expectations that the Fed will hold off on further rate hikes are a major factor in gold's 25 percent rally this year
- Gold fell to a fresh one-month low as investors awaited further clues on the timing of a rate increase from Fed conference
- Gold for December delivery settled down 0.4% at \$1,324.60 a troy ounce
- Fed Chairwoman Janet Yellen is scheduled to speak today in Jackson Hole
- The Fed conference could provide views on the state of the country's economy

Gold - Technical Indicators

RSI 14	52.45
SMA 20	1,346.70
SMA 50	1,336.18
SMA 100	1,298.07
SMA 200	1,236.30

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold edged off the previous day's four-week low yesterday as the dollar retreated, but prices were rangebound ahead of a speech by Federal Reserve Chair Janet Yellen this week which will be watched for clues on monetary policy.
- Investors are hoping Yellen will give a clearer signal on the path of interest rate hikes when she addresses a meeting of central bankers in Jackson Hole, Wyoming, on Friday.
- Gold is highly sensitive to rising US rates, as these increase the opportunity cost of holding non-yielding bullion, while boosting the dollar, in which it is priced. Spot gold was up 0.1 percent at \$1,324.11 an ounce, while US gold futures for December delivery were down \$2.60 an ounce at \$1,327.10.
- Strong US employment readings have led some to speculate that rates could rise as soon as September, though mixed messages from the bank's latest gathering have clouded the outlook.
- Minutes from the US central bank's July 26-27 policy meeting showed broad agreement that more economic data is needed before raising interest rates, but recent comments from other policymakers have been much more hawkish. After the Fed minutes, gold reacted quite positively, and then a few days later there were comments from some officials saying actually the Fed should press ahead with a rate hike.
- That weighed on the gold price. Now what we're seeing is a bit of a wait-and-see mode, where markets are just monitoring the situation and waiting for further comments that might move the market.
- The dollar edged lower ahead of the Jackson Hole meeting. The CME Group's FedWatch tool showed futures markets indicate an 18 percent chance the Fed will hike rates at its policy meeting next month, and around a 50 percent chance of an increase in December.

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 has rallied to intraday highs of 47.27 in yesterday's trading session, from the lows of 46.42. Short covering has been the main driver, following four straight sessions of lower daily highs and lower daily lows. Crude oil positions are likely being pared back into Yellen's Jackson Hole speech scheduled later in today's session, which could impact oil prices by moving the dollar. Wednesday larger than expected build in crude oil inventories was the catalyst that pushed crude to support near the 10-day moving average at 47.09. Resistance on crude oil is seen near the August highs at 49.36. Brent prices also rebounded in tandem with the crude oil. Momentum has turned neutral as the markets continue to consolidate. The Relative Strength Index has flat lined and is printing a reading of 56, which is in the middle of the neutral range.

Pivot:	47.29		
Support	46.43	45.81	45.00
Resistance	47.70	48.34	49.35

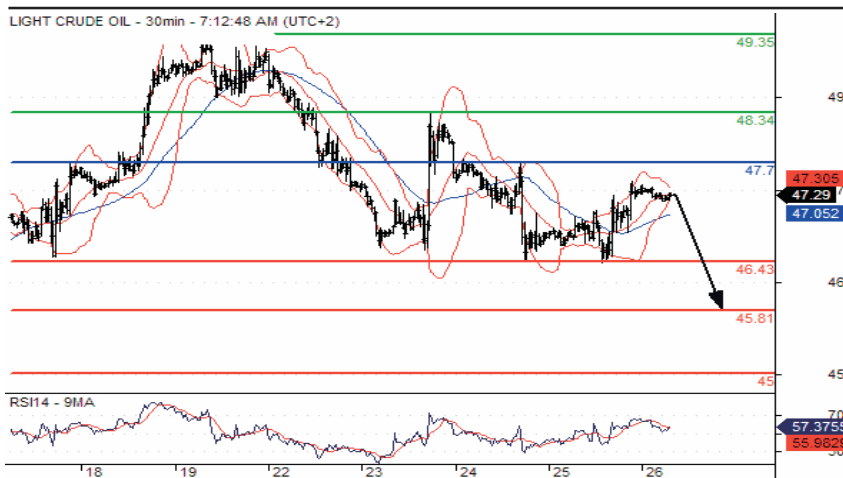
Highlights

- Oil prices were down slightly today in European session U.S counterpart West Texas Intermediate hovering around \$47
- U.S Fed Chairwoman Janet Yellen is due to deliver a speech later today at the annual central bankers' summit at Jackson Hole, Wyo
- Investors are skeptical that Yellen will deliver an upbeat assessment of the economy
- The U.S oil-field services company Baker Hughes releases its weekly rig count data later today
- Oil demand in industrial powerhouse China, crude deliveries are buoyant

Crude - Technical Indicators

RSI 14	67.33
SMA 20	43.27
SMA 50	45.27
SMA 100	46.36
SMA 200	40.76

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil traded near \$47 a barrel as Saudi Arabia's energy minister said an output freeze would be positive for the market and after a report that Iran will attend informal talks next month.
- Futures lost 0.7 percent in New York after rising 1.2 percent Thursday. A freeze will signify that producers are content with the current market situation, Saudi Arabian Energy Minister Khalid Al-Falih said, ruling out an output cut.
- Iran will participate in the discussions in Algiers, a state news service reported. Oil suppliers want a deal to manage production, OPEC's Secretary General Mohammed Barkindo told Arabic-language newspaper Al-Hayat.
- Oil entered a bull market Aug. 18, less than three weeks after tumbling into a bear market. Prices surged partly on speculation that informal discussions among members of the Organization of Petroleum Exporting Countries may lead to action to stabilize the market.
- A deal to freeze output was proposed in February, but a meeting in April ended with no final accord. West Texas Intermediate for October delivery was at \$47.01 a barrel on the New York Mercantile Exchange, down 32 cents. The contract rose 56 cents to \$47.33 on Thursday.
- Iranian Oil Minister Bijan Namdar Zanganeh will attend the talks in Algiers, according to Iran's oil ministry news service Shana. While Iran will continue to cooperate with OPEC to improve oil prices, it expects its need for recovery of market share to be taken into account, Shana reported separately, citing Zanganeh.
- The U.S. oil-field services company Baker Hughes releases its weekly rig count data later in today's trading session. Last week witnessed a rise of 10 rigs in the U.S. and market observers will be watching closely to see if the recovery is continuing.

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

Silver markets tried to rally during the course of the session on Thursday, but turned right back around and formed a bit of a shooting star. I believe we are going to continue to drift lower, but I also recognize that the \$18 level below should be massively supportive as it was a significant resistance barrier previously. However, we will more than likely have quite a bit of volatility, so you have to be willing to sit through that. I do believe that silver goes higher over the longer term though, so any short position that I would put on right now would be short-term at best. Not even the important 19.20 level which held silver up for over a month was retested before resuming the trend lower. The long-term support zone still has room to go before the bottom is met, with right around 18 marking the trough. The benefit of the doubt remains with the current path of least resistance.

Pivot:	18.61		
Support	18.26	18.00	17.85
Resistance	18.80	19.12	19.45

Highlights

- Silver prices traded down -0.22% lower to \$18.515/oz, with trading range between \$18.440 and \$18.620
- Markets around the world are on their heels before Federal Reserve Chair gives a speech at Jackson Hole
- The current gold/silver ratio sits at 71.607 (based on the December contracts)
- Silver, being the underdog has the most potential of rebounding
- The Dollar only secured small gains with US bond yields range-bound

Silver - Technical Indicators

RSI 14	42.18
SMA 20	20.04
SMA 50	19.61
SMA 100	18.29
SMA 200	16.62

Silver Daily Graph



Fundamentals

- Silver was unable to secure any significant rebound yesterday, unsettled by losses in gold and a deteriorating technical outlook, with uncertainty surrounding US interest rates also undermining sentiment.
- Silver prices remained under pressure late in US trading on Wednesday, briefly testing the Monday spike lows of \$18.55 before securing a tentative recovery back to the \$18.75 area.
- The German IFO index was weaker than expected with a retreat to 106.2 from 108.3 previously, increasing doubts surrounding the German outlook, and there was further downward pressure on the Dax index following the data.
- Although the dollar was unable to draw support from the data, which provided relief for silver, prices were unable to make any headway with further modest losses in gold a significant negative impact.
- US durables goods orders data was better than expected with a 4.4% increase for July, while the core increase also bear expectations with a 1.5% monthly increase. With core capital goods orders increasing, there was slightly greater confidence in the outlook.
- Jobless claims were lower than expected at 261,000 in the latest week from 262,000 previously, although there was a weaker than expected reading for the PMI services-sector data.
- There was a relatively muted Wall Street response to the data, while hawkish comments from Kansas City Fed President George's reiteration of calls for an immediate increase in interest rates was also received calmly given that she voted for a rate increase at the July FOMC meeting.
- Trading conditions will inevitably be thin today ahead of Yellen's speech to the Jackson Hole Symposium. Yellen may make no substantive comments on policy, which would probably push silver slightly higher on a weaker dollar tone

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	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

Friday, August 26, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Aug 26	04:30	JPY National Consumer Price Index (YoY) (JUL)	High	-0.4%	-0.4%	-0.4%
Fri Aug 26	11:00	EUR German GfK Consumer Confidence Survey (SEP)	Medium	10.2	10	10
Fri Aug 26	11:45	EUR French Gross Domestic Product (YoY) (2Q)	Medium	1.4%	1.4%	1.4%
Fri Aug 26	13:30	GBP Gross Domestic Product (YoY) (2Q)	High	2.2%	2.2%	2.2%
Fri Aug 26	17:30	USD Advance Goods Trade Balance (JUL)	High		-\$63.0b	-\$64.5b
Fri Aug 26	17:30	USD Personal Consumption (2Q)	Medium		4.2%	4.2%
Fri Aug 26	17:30	USD Gross Domestic Product (Annualized) (2Q)	High		1.1%	1.2%
Fri Aug 26	19:00	Fed Chair Yellen to Speak at Jackson Hole Policy Symposium	High			
Fri Aug 26	19:00	USD U. of Michigan Confidence (AUG)	Medium		90.8	90.4

Source: Forex Factory, DailyFX

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