

## Gold

### Technical

Gold markets rallied slightly on Friday as the market continues to grind back and forth. It appears that the \$1125 level continues to be supported, and as a result I think a bounce could be coming. However, about will more than likely be a nice selling opportunity and on signs of exhaustion I'm willing to start shorting yet again. I think that the market will then reach towards the \$1100 level, and then perhaps even lower to the \$1000 level. I have no interest in buying gold as the US dollar has been so strong. Prices were unable to bounce despite a stronger than expected revision to UK GDP. Momentum is neutral with the MACD (moving average convergence divergence) index printing near the zero index level with a flat trajectory which reflects consolidation. UK Q3 GDP was unexpectedly revised higher in the third release of the data, to 0.6% quarter over quarter growth from 0.5%.

Pivot:	1,144		
Support	1,138	1,132	1,130
Resistance	1,155	1,160	1,165

### Highlights

- Gold prices are slightly higher today, with trading choppy and lacking conviction
- Gold likely will trade in a narrow band this week, barring no major unexpected international developments
- Definitely when people come back, they will reposition themselves
- Despite dropping since July, the price of gold remains well above January levels
- Gold edged up on Friday on a weaker dollar, but the yellow metal closed for seventh straight weekly decline

### Gold - Technical Indicators

RSI 14	32.02
SMA 20	1,176.96
SMA 50	1,226.70
SMA 100	1,267.14
SMA 200	1,283.88

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices rose in Asian trading session today on light buying out of China, but trading was thin after the long Christmas weekend, even as a firm dollar capped the gains.
- Spot gold was up half a percent at \$1,139.20 an ounce, after earlier edging down to \$1,131.35. U.S. gold futures rose 0.6 percent to \$1,140.20 per ounce. It's pretty much Chinese demand at the moment, although it's very thin.
- The dollar rose against the yen and euro as some investor emerged out of the holiday lull to hunt for bargains as the market entered the last trading stretch of the year.
- People are waiting until Trump becomes the U.S. President and until we see his real policies or what he will do when he takes the office. People are just watching the other markets like dollar and stock markets and kind of expecting the stock market and financial market to be good under Trump government. In that case, people don't need gold and instead invest in stocks.
- The U.S currency had climbed to a 10-month high of 118.660 yen in this current mid-month on expectations of stronger growth after U.S President-elect Donald Trump takes office in January. A firm dollar curbs demand for commodities priced in the greenback by making them more expensive for holders of other currencies.
- Hedge funds and money managers cut their net long position in COMEX gold for a sixth straight week in the week to Dec. 20, Commodity Futures Trading Commission data showed.
- Gold demand in India remained subdued last week despite a sharp fall in prices to over 10-1/2 month lows as a severe cash crunch and holidays kept buyers away from the market, while premiums in China fell from near 3-year highs touched in the prior week.

### 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

Crude oil prices moved lower on Friday down slightly less than 1%, but generating an inside day which reflects market indecision. Resistance on crude oil is seen near the 10-day moving average at 52.90, while short term support is seen near and upward sloping trend line that comes in near 51.50. Traders now await the beginning of 2017, where OPEC is expected to cut production by 1.2 million barrels and non-OPEC producers are expected to reduce output by 0.558 million barrels. Momentum is neutral with the MACD (moving average convergence divergence) index printing near the zero-index level with a flat trajectory which reflects consolidation. The RSI (relative strength index) which is a momentum oscillator that measures overbought and oversold levels, is printing a reading of 56, which is in the middle of the neutral range and reflects consolidation.

Pivot:	53.11		
Support	52.75	52.55	52.30
Resistance	53.45	53.65	53.75

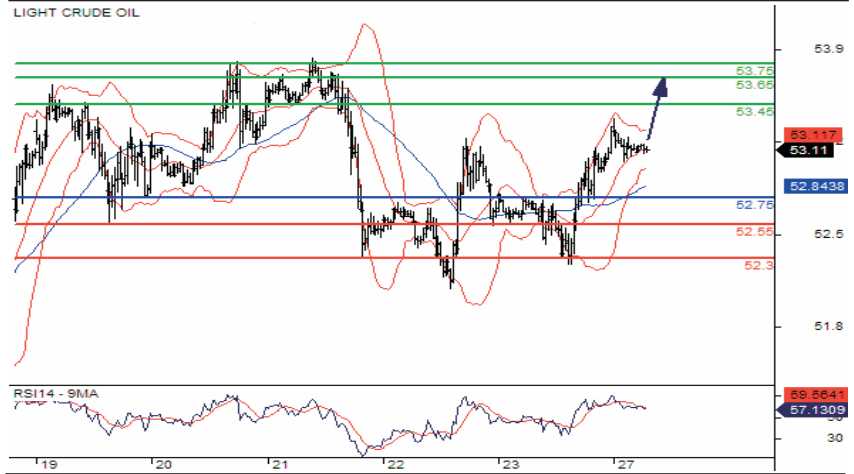
### Highlights

- Crude oil prices remained steady last week, as the market has provided no substantial surprises and price consolidation continued
- Market participants have adopted a wait and see policy regarding the implementation of a production cut plan
- Crude oil prices improved slightly during Friday's trade
- Several OPEC members have told their customers that they will slash supplies from the next month
- U.S oil rig counts are likely to increase strongly in the coming months

### Crude - Technical Indicators

RSI 14	60.91
SMA 20	49.41
SMA 50	48.14
SMA 100	47.51
SMA 200	46.94

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil edged further above \$53 a barrel, drawing support from expectations of tighter supply once the first output cut deal between OPEC and non-OPEC producers in 15 years takes effect on Sunday.
- Jan. 1 brings the official start of the deal agreed by the Organization of Petroleum Exporting Countries and several non-OPEC producers to lower production by almost 1.8 million barrels per day (bpd).
- Brent crude was up 5 cents at \$55.21 a barrel. The global benchmark reached \$57.89 on Dec. 12, the highest since July 2015. U.S crude gained 20 cents to \$53.22.
- OPEC's output cuts are nearing, but because there's hardly any news on producers, the market is stuck in the doldrums. Trading was shut yesterday for the Christmas holiday and volume was expected to be light today.
- Major OPEC members such as Saudi Arabia and Iraq have informed customers of lower supplies. But Libya and Nigeria - which are exempt from reductions because conflict has curbed their output - have been increasing production.
- Libyan output was 622,000 bpd on Monday, up slightly from levels recorded before an armed faction agreed to lift a two-year blockade on major western pipelines on Dec. 14, the National Oil Corporation said.
- While the outright price of crude is being supported by the prospect of lower supplies, the impact in the physical market will probably differ according to the type of crude.
- Going into 2017, we expect that the premiums for light, sweet grades may be increasingly pressured as a result of the joint OPEC and non-OPEC output cut agreement which is supposed to reduce primarily the availability of medium-sour crudes

### 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 on Friday but turned around and formed a shooting star like candle. It looks as if the market is going to continue to grind lower, perhaps reaching towards the \$15 level below which I feel will be massively supportive. Rallies of this point in time should be selling opportunities, as the market continues to struggle with the strengthening US dollar. This is a situation that we can sell rallies repeatedly, as there is no reason to think that things are going to change anytime soon, and because of this I will remain very bearish. Silver prices could fall only if investment demand declined yet again. We reinforce our more constructive view on silver as fundamentals have steadied. Digging a bit deeper, we acknowledge that it is challenging to model silver market balances because several sectors, including scrap supply and jewellery demand, are price-sensitive.

Pivot:	15.96		
Support	15.80	15.65	15.60
Resistance	16.06	16.13	16.17

### Highlights

- The Dollar traded slightly lower on Friday as pressure for a correction continued and US yields also edged lower
- Silver prices were unable to gain any significant relief from recent selling pressure
- There were no major incentives in U.S trading on Friday as volumes declined sharply ahead of the Christmas break
- Metals prices generally remained under pressure last week, which had negative impact on silver
- The US new home sales data was stronger than expected

### Silver - Technical Indicators

RSI 14	52.89
SMA 20	16.74
SMA 50	17.29
SMA 100	18.03
SMA 200	18.16

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver edged lower in futures trading on Friday, as market activity remained low ahead of the holidays. March silver futures dipped 5 cents, or 0.3%, to \$15.82 a troy ounce. Lower trading volumes kept the metal within a narrow range of \$15.76 and \$15.90.
- The futures price continues to hover just above oversold levels, according to the Relative Strength Index. For the week, silver is on track for a 2.5% decline. The metal has declined more than 8% since the Federal Reserve's December 14 policy decision.
- Gold's premium over silver rose again this week, reaching its highest level in nearly a month. The US dollar was trading slightly lower against a basket of other major currencies. The dollar index slipped 0.1% to 102.98.
- The dollar rose against the British pound after the UK Office for National Statistics reported mixed third quarter GDP data. The British economy expanded at a faster 0.6% rate in Q3, but a separate gauge of total business investment rose just 0.4%, less than half the rate forecast by economists.
- Precious metals have been in sharp decline for nearly two months, reflecting bullish sentiment in the dollar after the election of Donald Trump to US President. The Federal Reserve's more hawkish outlook following its December meeting also contributed to the sharp divergence between the dollar and precious metals.
- Trading activity will be muted a bit as several markets remain closed in lieu of Christmas. The US new home sales data was stronger than expected with an annualised reading of 592,000 for November from 563,000 the previous month. The final December University of Michigan consumer confidence reading was fractionally higher from the flash estimate with an 11-year high of 98.2, but inflation expectations edged lower.

### 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

## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Dec 27	04:30	JPY Jobless Rate (NOV)	Medium	3.1%	3.0%	3.0%
Tue Dec 27	04:30	JPY Household Spending (YoY) (NOV)	Medium	-1.5%	0.2%	-0.4%
Tue Dec 27	04:30	JPY National Consumer Price Index (YoY) (NOV)	High	0.5%	0.1%	0.1%
Tue Dec 27	10:00	JPY Housing Starts (YoY) (NOV)	Medium	6.7%	9.6%	13.7%
Tue Dec 27	19:00	USD S&P/Case-Shiller Composite-20 (YoY) (OCT)	Medium			5.08%
Tue Dec 27	19:00	USD S&P/Case-Shiller US Home Price Index (YoY) (OCT)	Medium			5.46%
Tue Dec 27	20:00	USD Consumer Confidence (DEC)	High		107	107.1
Tue Dec 27	20:00	USD Richmond Fed Manufacturing Index (DEC)	Low			4
Tue Dec 27	20:30	USD Dallas Fed Manufacturing Activity (DEC)	Low			10.2

Source: Forex Factory, DailyFX

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