

Gold

Technical

Gold markets rallied during the early hours of yesterday's session initially, but struggled at what appears to be significant resistance above the 100-day exponential moving average. Above there, we have the 50% Fibonacci retracement level as well, so it's not until we clear the 1230 level that I think we are going to continue to see a lot of buying pressure. In the meantime, it looks as if the market is going to chop around just above the \$1200 handle, so expect short-term back and forth scalping to be the mainstay of this market over the next several sessions. Momentum is flat but appears to be turning positive as the MACD (moving average convergence divergence) index prints near the zero index, but recently generated a buy signal. The RSI (relative strength index) moved higher to 62, and faces resistance near the 70 overbought trigger level.

Pivot:	1,210		
Support	1,203	1,199	1,196
Resistance	1,215	1,219	1,222

Highlights

- Gold prices yesterday marked their best finish since mid-November
- Slack in the dollar this week and diminished appetite for assets perceived as risky lured bidders to precious metals
- A vulnerable dollar, coupled with the persistent Trump uncertainties, has bolstered gold's safe-haven allure
- This yellow metal seems to be back in fashion in the short term
- The nonfarm-payrolls release is set for release today

Gold - Technical Indicators

RSI 14	61.47
SMA 20	1,203.9
SMA 50	1,174.3
SMA 100	1,209.3
SMA 200	1,267.4

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices slipped today on a firmer dollar and as investors booked profits after the metal hit 11-week highs the session before. Spot gold had edged down 0.2 percent to \$1,213.28 an ounce. U.S. gold futures fell 0.4 percent to \$1,214.80.
- Spot gold hit an 11-week high of \$1,225.30 an ounce on Thursday. It has risen 1.8 percent so far this week. The dollar index, which measures the greenback against a basket of major rivals, rose 0.1 percent on views that the U.S. currency's longer-term upward trend remained intact.
- U.S. non-farm payroll data for January will be closely watched today. The report is seen as a key barometer of the health of the U.S. economy and will be examined for signs that growth is strong enough to support further interest rate hikes.
- According to a Reuters survey of economists, nonfarm payrolls probably increased by 175,000 jobs last month, picking up from the 156,000 jobs added in December. The unemployment rate is expected to be unchanged at 4.7 percent in January, near a nine-year low.
- The Bank of England made its latest sharp increase to forecasts for British economic growth in 2017 on Thursday, but appeared in no rush to raise interest rates, warning of "twists and turns" on the road out of the European Union.
- Two top officials at the European Central Bank defended its ultra-easy monetary policy on Thursday after a rebound in inflation had upset bond markets and sparked criticism of it, particularly in cash-rich Germany.
- If visibility and predictability are two foundations upon which stable financial markets are built, comments from the White House this week on the U.S. dollar suggest investors should brace for increased foreign exchange volatility. SPDR Gold Trust, said its holdings rose 0.18 percent to 811.22 tonnes on Thursday.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The Oil market initially rally during the day on Thursday, but found resistance above the \$54 level. The \$54 level extends all the way to the \$55 level as far as the resistance zone is concerned, so because of this I'm not surprised that we turned around. If we did break above the \$55 level, then the market could go higher and start reaching towards the \$60 level above which is even more resistive. Because of this, I believe that a pullback is coming and that pullback will more than likely offer a short-term selling opportunity. However, there's also significant support below at the \$52 level, so this is more than likely going to be a scalpers type of market. A lot of short-term back and forth is probably what we're going to see next. Keep in mind that today is nonfarm payroll, and that of course causes all kinds of noise. Momentum is neutral and prices have had a hard time gaining traction.

Pivot:	52.94		
Support	52.25	52.05	51.85
Resistance	53.25	53.55	53.70

Highlights

- Crude futures clawed back some gains hopes the continuing output cuts by major producers is chipping away at global oversupply
- Crude futures for delivery in March traded at \$53.88 a barrel, up \$0.34, or 0.6%
- Data from the Russian Energy Ministry showed the country's production of oil dropped by around 100,000 barrels a day in January
- OPEC is scheduled to meet in June to review the effectiveness of the pact
- Offsetting positive sentiment are inventories of crude which grew more than anticipated last week

Crude - Technical Indicators

RSI 14	56.38
SMA 20	53.03
SMA 50	52.73
SMA 100	50.30
SMA 200	48.10

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices edged up today on news that U.S President Donald Trump could be set to impose new sanctions on multiple Iranian entities, raising geopolitical tensions between the two nations.
- Comments by Russian energy minister Alexander Novak that oil producers had cut their output in accordance with a pact agreed in December also helped support prices.
- Reuters reported in yesterday's trading session that Trump's administration is prepared to roll out new measures against more than two dozen Iranian targets following Tehran's ballistic missile test, according to sources familiar with the matter.
- Brent crude futures had risen 45 cents, or 0.8 percent, to \$57.01 a barrel, after settling down 24 cents at \$56.56 in the previous session. Brent is set to gain 2.6 percent for the week. Front month U.S crude futures climbed 48 cents, or 0.9 percent, to \$54.02 a barrel, after ending Thursday down 34 cents. For the week, the contract is up a little over 1 percent.
- Moves by the U.S. to impose new sanctions on Iran is "something at the back of short-term traders' minds. It's on the risk radar more than it otherwise might have been. The sources, who had knowledge of the administration's plans, said the package of sanctions was formulated in a way that would not violate the 2015 Iran nuclear deal.
- Supply concerns were also raised when Russia's energy minister said global oil output was cut by 1.4 million barrels per day (bpd) last month as part of the deal last year between OPEC and other producers.
- Oil prices have stabilized about 15 percent higher than they were before OPEC and non-OPEC producers agreed in December to curb output, National Australia Bank said in a note today.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

The Silver markets tried to rally during the day on Thursday, but turned around to form a shooting star. The shooting star of course is a negative sign, but we have a hammer from the Wednesday session after we broke out of the \$17.30 level. Because of this, I think that there will be plenty of buyers every time this market dips, but we may have a bit of volatility on our way towards the \$18 level. I believe that the \$17 level is currently the “floor” in this market. Because of this, I am long only. Silver has finally exited an area where bearish pressures seem important. The precious metal is way into a bullish momentum. Hourly support can be located at 16.34 then 15.63 . In the long-term, the death cross indicates that further downsides are very likely. Resistance is located at 25.11. Silver's largest ETF however saw a net outflow of metal as shareholders liquidated stock on 3-month price highs.

Pivot:	17.51		
Support	17.35	17.23	17.04
Resistance	17.61	17.78	18.00

Highlights

- Spot silver fell 0.8 percent to \$17.30, after hitting its strongest in over 11 weeks at \$17.73 in the last session
- U.S non-farm payroll data for January will be closely watched today
- The unemployment rate is expected to be unchanged at 4.7 percent, near a nine-year low
- U.S nonfarm payrolls probably increase by 175,000 jobs last month, picking up from the 156,000 jobs added in December
- Dollar rose against the Yen after Japan offered to buy government bonds

Silver - Technical Indicators

RSI 14	60.04
SMA 20	17.07
SMA 50	16.66
SMA 100	17.04
SMA 200	18.11

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices advanced in yesterday's trading session, reaching their highest level since November, as a tumbling dollar and risk aversion boosted demand for precious metals.
- March silver futures rose 24 cents, or 1.4%, to \$17.69 a troy ounce. The grey metal reached a session high of \$17.75, and is on track for its strongest settlement since November 10.
- Silver has rallied more than 3% this week and is up 11.5% from December lows. Demand for precious metals on Thursday was lifted by a slumping U.S. dollar, which was approaching three-month lows against a basket of other major currencies.
- The dollar index hit a session low of 99.43, putting it on track for its weakest settlement since early November. It was last down 0.2% at 99.43. On Wednesday, the Federal Reserve voted to leave interest rates unchanged, but said the outlook on the economy had improved.
- The U.S. central bank is expected to raise interest rates on three occasions this year. The first rate hike of 2017 is anticipated for June, according to 30-day Fed Fund futures prices, which gauge the market's views on U.S. monetary policy.
- Global equity markets wilted yesterday, as investors continued to track corporate earnings against an uncertain political climate. Japanese stocks finished firmly lower, with the Nikkei 225 closed down 1.2%.
- U.S. non-farm payroll data for January will be closely watched today. The report is seen as a key barometer of the health of the U.S. economy and will be examined for signs that growth is strong enough to support further interest rate hikes. According to a Reuters survey, nonfarm payrolls probably increased by 175,000 jobs last month.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Friday, February 03, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Feb 03	14:30	GBP Markit/CIPS UK Services PMI (JAN)	Medium		55.8	56.2
Fri Feb 03	15:00	EUR Euro-Zone Retail Sales (YoY) (DEC)	Medium		1.8%	2.3%
Fri Feb 03	18:30	USD Change in Non-farm Payrolls (JAN)	High		175k	156k
Fri Feb 03	18:30	USD Change in Private Payrolls (JAN)	Medium		168k	144k
Fri Feb 03	18:30	USD Unemployment Rate (JAN)	High		4.7%	4.7%
Fri Feb 03	18:30	USD Average Hourly Earnings (YoY) (JAN)	Medium		2.7%	2.9%
Fri Feb 03	20:00	USD ISM Non-Manufacturing Composite (JAN)	High		57	57.2
Fri Feb 03	20:00	USD Factory Orders (DEC)	Medium		1.0%	-2.4%
Fri Feb 03	23:00	USD Baker Hughes U.S. Rig Count (FEB 03)	Medium			712

Source: Forex Factory, DailyFX

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