

## Gold

### Technical

Gold markets initially fell during the day on Friday, testing the 100-day exponential moving average. However, we found enough support to turn around and form a hammer. If we can break above the top of the hammer, the market should then reach towards the \$1250 level above as it is the 61.8% Fibonacci retracement level, and of course previous support which should now be resistive. I have no interest in selling, although I will admit that the weekly candle looks very bearish. I believe that the one thing you can count on is volatility. Momentum is neutral as the MACD (moving average convergence divergence) index is printing in the black with a flat trajectory which reflects consolidation. The RSI (relative strength index) attempted to break out but failed pushing the oscillator back into the upper end of the neutral range near 63. Prices remain in a grinding up trend.

Pivot:	1,229		
Support	1,228	1,224	1,221
Resistance	1,234	1,237	1,244

### Highlights

- The dollar gained today, with the market breathing a sigh of relief after US-Japan summit over the have ended smoothly
- At a news conference with Abe, Trump avoided repeating harsh campaign rhetoric
- Comments from Trump that he plans to announce tax reform plan rekindled hopes for big tax cuts, offering support for the greenback
- Hedge funds and money managers raised their bullish wagers in COMEX gold
- U.S initial jobless claims dropped last week to the lowest in nearly 43 years

### Gold - Technical Indicators

RSI 14	72.56
SMA 20	1,213.0
SMA 50	1,180.5
SMA 100	1,208.2
SMA 200	1,266.3

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold slipped today in Asian session as the dollar strengthened against the yen, with the greenback buoyed by a smooth meeting between U.S. President Donald Trump and Japanese Prime Minister Shinzo Abe that saw no mention of currency policy.
- Spot gold had fallen 0.31 percent to \$1,230.22 per ounce, while U.S gold futures were down 0.36 percent at \$1,231.3. The dollar briefly touched its highest since Jan. 30 at 114.17 yen, with relief that Trump set aside his tough campaign rhetoric over security and jobs in a meeting with the Japanese Prime Minister over the weekend.
- Quietness on the protectionism front and a rekindling of the Trump-flation trade is taking the wind out of gold's safe-haven sails. A senior Japanese government spokesman said Abe and Trump did not discuss currency issues and that Trump did not request a bilateral trade deal.
- The U.S. currency also found broad support from comments by Trump on Thursday that he planned to announce an ambitious tax reform plan in the next few weeks, rekindling hopes for big tax cuts. The dollar index was firm at 100.820.
- Spot gold may revisit its Feb. 10 low of \$1,221.02 per ounce. However, political risk from elections in Europe and worries over Trump's policies will maintain underlying safe-haven appetite for the metal.
- Prices are likely to recover again, even though there may be slight corrections. Global uncertainty from the U.S., Europe and on the Korean front will drive global prices high again as prices couldn't break the December-low.
- Gold has rallied nearly 10 percent after touching its lowest in over 10 months, at \$1,122.35 an ounce, in December, following the U.S. Federal Reserve's move to raise interest rates for the first time in a year.

### 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 WTI Crude Oil market rallied on Friday again, as OPEC released a statement suggesting that 90% of its members were falling underneath the output cut levels. This of course is bullish for oil, but at the same time we have a massive oversupply of petroleum, and will probably continue to have that the longer term. However, the market doesn't seem to be paying attention to that now, and it now looks as if we're going to test the \$55 level. For myself, this is a very simple trade. If we can break above the \$55 level and close above there, I'm willing to start buying and perhaps aiming towards the \$60 level. And exhaustive candle would be and I selling opportunity, but I am going to have to wait until we get a daily close to make some type of decision. Momentum is flat with the MACD index printing near the zero index level with a flat trajectory that reflects consolidation.

Pivot:	53.79		
Support	53.42	52.90	52.63
Resistance	54.14	54.35	54.75

### Highlights

- OPEC members delivered more than 90 percent of the output cuts they pledged in a landmark deal that took effect in January
- Some producers, notably Saudi Arabia, appearing to cut by more than required
- Another increase in U.S. oil rigs limited gains on Friday
- EIA raised global oil demand growth expectations for 2017 to 1.4 million bpd
- Crude has benefited from recent strength in gasoline prices as a glut seems to be gradually eroding

### Crude - Technical Indicators

RSI 14	50.42
SMA 20	53.00
SMA 50	52.92
SMA 100	50.42
SMA 200	48.19

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices were stable today in Asian session on signs that OPEC-led production cuts were reducing global overproduction, although bloated inventories and rising output elsewhere were weighing on markets.
- Brent crude futures were trading at \$56.72 per barrel, up 2 cents from their previous close. West Texas Intermediate (WTI) crude futures were down 2 cents at \$53.84 a barrel.
- The Organization of the Petroleum Exporting Countries (OPEC) and other producers including Russia have agreed to cut output by almost 1.8 million barrels per day (bpd) during the first half of 2017 in order to rein in a global glut.
- There was initial scepticism that producers would make the promised cuts, but compliance with the announced reductions is now estimated 80 to 90 percent. Kuwaiti Oil Minister Essam al-Marzouq said on Monday that the OPEC compliance was 92 percent while that of non-OPEC producers was 50 percent.
- Market players will be keenly awaiting the release today of OPEC's monthly report. If production cuts are coming through as suggested, we should see oil prices push higher
- Crude was well supported in the lower to mid-\$50s per barrel due to the curbs, they pointed to a host of reasons that prevented prices from rising further. In the United States, oil drilling is pushing up production and undermining OPEC's efforts to reduce output.
- Drillers added eight oil rigs in the week to Feb. 10, bringing the total U.S. count to 591, the most since October 2015, Baker Hughes said on Friday. During the same week last year, when prices were around \$30 per barrel, there were just 439 active rigs. In the United States, OPEC is facing the rising flood of shale driven production.

### 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

Silver markets initially dipped in Friday's trading session, but then turned around to form a very bullish candle. Because of this, looks as if the silver market will continue to go higher. If we can break above the top of the range for the day, I don't see any reason the market will then target the \$18.50 level. It's not to say that it will be an easy move, but were starting to see a convergence of the three major moving average is that longer-term traders use. The 50-day, 100-day, and 200-day exponential moving averages are all sitting just below, so I think there's plenty of reason to think that Silver continues to climb. The precious metals market has been showing significant strength as of late, and economists think this is a trend that will continue. Pullbacks continue to find buyers, and I believe that the \$17 level now is the "floor" in this market.

Pivot:	17.92		
Support	17.81	17.75	17.64
Resistance	18.00	18.12	18.28

### Highlights

- Silver was mostly unchanged at \$17.94 per ounce, after touching its highest since Nov.11 at \$18 earlier in the session
- Trump set aside his tough campaign rhetoric over security and jobs in a meeting with the Japanese Prime Minister
- The U.S currency also found broad support from comments by Trump
- Trump planned to announce tax reform plan in the next few weeks
- Grey metal prices have touched it highest level since Nov. 11

### Silver - Technical Indicators

RSI 14	68.51
SMA 20	17.30
SMA 50	16.75
SMA 100	17.05
SMA 200	18.11

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver prices fell on Friday, as the dollar and global equities rose, weakening investor interest in precious metals. March silver futures declined 15 cents, or 0.9%, to \$17.59 a troy ounce. The contract was down throughout the overnight session, reaching a low of \$17.55.
- Despite the decline, silver was still on track for a weekly gain of around 0.7%. Prices are up 10% since the start of January, reflecting renewed demand for precious metals after a soft end to 2016.
- Precious metals declined overnight as risk appetite returned to the financial markets following another record-setting rally on Wall Street. U.S. stocks surged on Thursday after President Trump promised to unveil a "phenomenal" tax plan in the coming weeks.
- U.S. stock futures were trading higher in the pre-market, pointing to a positive start to the day on Wall Street. Trump's tax promise sent Asian stock higher on Friday. Japan's Nikkei 225 surged 2.5%, as the yen tumbled against the dollar.
- Meanwhile, the U.S. dollar was on track for its eighth consecutive advance against a basket of other major currencies. The dollar index rose 0.2% to 100.87, its highest in three weeks. The greenback traded firmly higher against the yen, euro and British pound.
- In economic data, China's trade surplus expanded more than expected last month, as exports and imports both topped analysts' forecasts. Beijing's trade surplus rose to \$51.4 billion in January from \$40.1 billion the month before, the General Administration of Customs reported Friday.
- Chinese exports rose 7.9% year-over-year, while imports surged at an annualized 16.7%, official data showed. Prices are likely to recover again, even though there may be slight corrections.

### 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

Monday, February 13, 2017



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Feb 13	02:45	NZD Card Spending Retail (MoM) (JAN)	Low	2.7%	0.7%	0.0%
Mon Feb 13	04:50	JPY Gross Domestic Product Annualized (4Q)	High	1.0%	1.1%	1.4%
Mon Feb 13	05:30	AUD Credit Card Purchases (DEC)	Low	A\$27.7b		A\$27.1b
Mon Feb 13	12:00	EUR German Wholesale Price Index (YoY) (JAN)	Low	4.0%		2.8%
Mon Feb 13	14:00	CHF Total Sight Deposits CHF (FEB 10)	Low	539.0b		535.2b
Mon Feb 13	14:00	CHF Domestic Sight Deposits CHF (FEB 10)	Low	464.5b		463.0b
Mon Feb 13	15:00	EUR European Commission Economic Forecasts	Medium			
Mon Feb 13	21:30	USD U.S. to Sell 3-Month Bills	Low			
Mon Feb 13	21:30	USD U.S. to Sell 6-Month Bills	Low			

Source: Forex Factory, DailyFX

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