

Gold

Technical

Gold markets have fallen a bit during the day on Tuesday, reaching down towards the \$1350 level. I think there is support extending down to the \$1325 level, so this in the end, should be a nice buying opportunity. The US dollar has rallied a bit during the trading session on Tuesday, showing signs of a “risk off” move. Ultimately, this could favor gold as well, but more importantly, I see a significant amount of support just below. I believe that the \$1325 level should offer a “hard floor”, thereby keeping the market one that I want to buy. I believe in buying the dips, and I think that adding slowly to a core position is probably the way to go. In fact, I believe the 2018 could be rather good for the gold markets, as the US dollar will probably struggle in the bond markets sell off. I see the \$1400 level as a massive barrier to break above. Volume is decent, and that of course is a very good sign.

Pivot:	1,326		
Support	1,322	1,317	1,312
Resistance	1,366	1,343	1,351

Source: FX EMPIRE

Highlights

- Gold extended its fall as the dollar remained strong on rising treasury yields
- Investors are waiting the minutes of the U.S Fed's last policy meeting for cues on the pace of interest rate hikes this year
- The Fed will release the minutes of its Jan. 30-31 policy meeting today
- Holdings at the SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.39 percent to 827.79 tonnes
- Interest around \$1,325 will be the key for price direction in the coming days

Gold - Technical Indicators

RSI 14	63.56
SMA 20	1,253.2
SMA 50	1,246.1
SMA 100	1,276.3
SMA 200	1,284.8

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices hit their lowest in a week today as the dollar steadied after a recovery from last week's three-year low, while investors awaited the minutes of the U.S Federal Reserve's last policy meeting for clues on the pace of interest rate hikes this year.
- Spot gold was down 0.2 percent at \$1,326.24 an ounce, slipping for a fourth straight session. Earlier in the day, prices touched the lowest since Feb. 14 at \$1,325.20 an ounce.
- U.S gold futures dipped 0.2 percent to \$1,328.3 per ounce. The dollar index, which measures the greenback against a basket of currencies, was up 0.2 percent at 89.879, after hitting a one-week high of 89.937. It hit a three-year low of 88.253 on Feb. 16.
- Continued dollar strength and higher treasury yields should continue to see the yellow metal under pressure over the near-term. The return of China will be closely watched for any renewed physical interest in Asia to stem the weakness.
- Treasury yields rose overnight with the benchmark 10-year yield crawling back to near a four-year peak as investors made room for this week's \$258 billion deluge of new government debt.
- Treasury yields have risen in the wake of increased government borrowing. The U.S. Treasury Department has issued more debt in anticipation of a higher deficit from last year's major tax overhaul and a budget deal that will increase federal spending over the next two years.
- Higher yields on bonds make gold a less attractive investment because it pays no interest. Investors are looking forward to the minutes of the Fed's Jan. 30-31 policy meeting for any signs of a hawkish tone. Spot gold may drop to \$1,316 according to Reuters analyst Wang Tao.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
12/08/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
12/15/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
12/12/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
12/29/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market started falling almost immediately during the trading session on Tuesday, as the \$62.50 level has offered too much resistance. This coincides nicely with the uptrend line previously that had offered support, and it now should offer resistance. Because of this, I'm looking to sell this market on signs of exhaustion, or a move below the \$61.50 level. I think that the market will probably go looking for the \$60 underneath, which of course has a certain amount of psychological importance based upon it. If we broke above the uptrend line, which is roughly \$63, at that point I might be a bit more convinced about the bullish pressure. Brent markets went sideways initially during the trading session on Tuesday, hanging about the \$65 level. This of course is a large, round, psychologically significant number. The \$66 level above should be significantly resistant.

Pivot:	61.38		
Support	60.75	60.20	59.60
Resistance	62.00	63.65	63.25

Source: FX EMPIRE

Highlights

- Oil futures gained yesterday, with the U.S WTI gained ground on its global counterpart thanks to Canadian pipeline problems
- WTI futures for April delivery rose 24 cents, or 0.4%, to close at \$61.79 a barrel
- U.S inventory data is due later in the day is expected to have risen by 1.3 million barrels, according to a Reuters poll
- OPEC and other producers will discuss extending their existing cooperation for more years
- Futures oil prices have also been dented by the physical markets

Crude - Technical Indicators

RSI 14	57.06
SMA 20	44.65
SMA 50	46.23
SMA 100	47.56
SMA 200	53.27

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell today in Asian trading session, weighed down by a rebound in the U.S. dollar from three-year lows hit last week and by an expected rise in U.S. crude production.
- Brent crude futures were last down 71 cents at \$64.54 a barrel, while West Texas Intermediate (WTI) crude futures fell 74 cents to \$61.19 a barrel. The premium of Brent over WTI widened to almost \$3.60 a barrel, having neared its narrowest in six months yesterday as concern about a bottleneck of Canadian crude imports underpinned U.S. futures.
- "A sense of harmony has returned this morning with both crude benchmarks ploughing a southerly furrow as the dollar gains further ground," PVM Oil Associates analyst Stephen Brennock said.
- The U.S Dollar rose against other major currencies, buoyed by the rise in short-term U.S. government bond yields their highest in over nine years and ahead of the release of the minutes of the Federal Reserve's most recent policy-setting meeting, which may signal the pace of any interest-rate rises.
- U.S. inventory data is due later in the day and stocks are expected to have risen by 1.3 million barrels in the week to Feb. 16, according to a Reuters poll. The Organization of the Petroleum Exporting Countries and other producers, including Russia, will discuss extending their existing cooperation for many more years when they meet in June as they seek to avoid major market shocks, the United Arab Emirates' energy minister told Reuters on Tuesday.
- The group has agreed to cut crude output by 1.8 million bpd throughout this year to force global inventories to drain. Futures prices have also been dented by the physical markets, which are showing signs of seasonal weakness, given that most of the world's refineries close, either partially or wholly, to conduct maintenance at this time of year and cut their crude intake as a result.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
12/08/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
12/15/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
12/12/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
12/29/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets went sideways initially during the day on Tuesday, but then dipped to reach down towards the \$16.45 level, before bouncing a bit towards the \$16.60 level. I think that the market has a bit of resistance above at the \$16.70 level, so we need to break above there before the market continues to go higher, perhaps reaching towards \$17.00 level after that. I think that the market will continue to be very noisy, but right now looks as if we are trying to build a bit of a base underneath. This dictates that we will probably have a pullback that allows buyers to pick up a bit of value. I believe that the market has plenty of support underneath, and I do think that it holds. I think somewhere near the \$16.20 level; the support gets serious. Economists do not have any interest in shorting the Silver markets, as I believe we have been basing for quite some time.

Pivot:	16.38		
Support	16.25	16.16	16.06
Resistance	16.59	16.72	16.84

Source: FX EMPIRE

Highlights

- The dollar index, which measures the greenback against a basket of currencies, was up 0.03 percent at 89.74 today in Asia
- The Fed will release the minutes of its Jan. 30-31 policy meeting later today
- Treasury yields rose overnight with the benchmark 10-year yield crawling back to near a four-year peak
- The iShares Silver Trust was trading 1.2% lower late yesterday
- Last week precious metals register sharpest weekly gain in more than a year

Silver - Technical Indicators

RSI 14	19.80
SMA 20	17.27
SMA 50	16.72
SMA 100	16.85
SMA 200	16.87

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices were clobbered yesterday, with the commodity booking its sharpest daily decline in more than a year against a backdrop of a strengthening dollar and stabilizing equities.
- March silver dropped 27.4 cents, or 1.6%, to \$16.438 an ounce. Precious metals lost ground as the dollar sprung higher following last week's sharp decline, which has mostly extended a protracted downtrend for the commodity-pegged currency.
- The ICE Dollar Index was up 0.6% to 89.724, as the greenback made strides against the euro, pound and yen. A weaker U.S. Dollar can boost commodities priced in dollars, because it makes them cheaper to buy for holders of other currencies..
- Last week saw gold and silver register its sharpest weekly gain in more than a year, as it fed off the dollar's slump. Precious metals fell modestly on Monday in electronic trade, albeit in thinner action, as many traders took the day off for the Presidents Day holiday.
- Peter Hug, global trading director at Kitco Metals Inc., said the focus on rising U.S. debt, from infrastructure spending, tax cuts and a weaker dollar, threaten to push bond yields higher and that dynamic is weighing on precious metals.
- Hug also said a lack of participation in the market, with many traditional buyers from Asia still observing the Lunar New Year, also is pushing gold and silver lower.
- Higher interest rates have flowed into a stronger dollar which has been negative for gold and investors are lightening up on the gold market. In other metals trading, March copper lost 5.8 cents, or 1.8%, to settle at \$3.1905 a pound. April platinum shed \$8.30, or 0.8%, to end at \$1,004 an ounce. March palladium gave up \$8.60, or 0.8%, to settle at \$1,027.15 an ounce.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/08/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/15/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/12/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
12/29/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Wednesday, February 21, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Feb 21	13:30	EUR Markit/BME Germany Composite PMI (FEB)	Medium	57.4	58.5	59
Wed Feb 21	14:00	EUR Markit Eurozone Composite PMI (FEB)	Medium	57.5	58.4	58.8
Wed Feb 21	14:30	GBP Jobless Claims Change (JAN)	Medium	-7.2k		6.2k
Wed Feb 21	14:30	GBP Public Sector Net Borrowing (JAN)	Medium	-11.6b	-11.4b	0.3b
Wed Feb 21	17:00	USD MBA Mortgage Applications (16 FEB)	Medium	-6.6%		-4.1%
Wed Feb 21	19:15	BOE's Carney, Broadbent, Haldane and Tenreiro Speak in London	High			
Wed Feb 21	19:45	USD Markit US Composite PMI (FEB)	Medium			53.8
Wed Feb 21	20:00	USD Existing Home Sales (MoM) (JAN)	Medium		0.9%	-3.6%
Wed Feb 21	00:00	USD FOMC Meeting Minutes (31 JAN)	High			

Source: Forex Factory, DailyFX

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