

Gold

Technical

Gold markets continue to chop as we await the jobs number for the month of December in America. This has a massive influence on the greenback longer term, so I think that between now and the announcement could be a bit difficult to expect some type of massive move. However, the most important thing on this chart for me as the \$1300 level, as it has been significant resistance in the past, and should now be support. I believe that the market should continue to be one that's being able to be bought on dips, as the market should then go to the \$1350 level next, via the \$1325 level. Remember, gold tends to be considered the "anti-dollar" and this being the case it's likely that you will need to watch the US Dollar Index, and what happens after the announcement today. At this point, unless we broke down below the \$1280 level, I think the overall uptrend is still very much intact.

Pivot:	1,321		
Support	1,312	1,306	1,301
Resistance	1,326	1,334	1,339

Source: FX EMPIRE

Highlights

- Gold prices held steady today after hitting 3 and a half month highs yesterday
- It marked its highest since Sept. 15 at \$1,325.86 yesterday on a weaker dollar
- US private employers added 250,000 jobs in December, data from ADP Research Institute showed
- With ADP out of the way, investors are now focused on today's U.S non-farm payrolls report
- Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.03 per cent to 836.04 tonnes

Gold - Technical Indicators

RSI 14	57.31
SMA 20	1,240.3
SMA 50	1,254.1
SMA 100	1,254.6
SMA 200	1,271.4

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices today held near 3-1/2 month highs hit the session before to remain on track for their fourth-straight weekly gain, with attention turning to U.S. payroll data due later in the day.
- Spot gold was down 0.1 percent at \$1,321.86 an ounce. U.S. gold futures were up 0.1 percent at \$1,323 an ounce. Spot gold marked its highest since Sept. 15 at \$1,325.86 on Thursday on a weaker dollar. It has risen 1.5 percent so far this week.
- Weighed down by the greenback's weakness against the euro, the dollar index against a basket of six major currencies was poised for a loss of 0.3 percent this week, during which it probed a three-month low of 91.751.
- There are some new long-positions after gold crossed \$1,300 and they are trying to push prices up. We can see people buying at corrections. The dollar will be the key to gold's moves going forward. Markets are waiting for more clues on the pace of the interest rate hikes and how the tax reforms are going to help the U.S. economy.
- U.S. private employers added 250,000 jobs in December, data from ADP Research Institute showed, the biggest monthly increase since March. Economists surveyed by Reuters had forecast a gain of 190,000 jobs.
- Investors are now focused on Friday's U.S. non-farm payrolls report, which is expected to show job gains of 190,000 for December. Softer economic data weakens the case for a U.S. rate hike, boosting gold, which is highly exposed to interest rates and returns on other assets. Rising rates lift the opportunity cost of holding non-yielding bullion.
- Spot gold's 14-day relative strength index (RSI) was at 73. An RSI above 70 indicates a commodity is overbought and could herald a price correction, Reuters technical analysts said.

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 went back and forth during the trading session on Thursday, initially rallying, but then pulled back a bit. The \$61.50 level looks as if it is offering a bit of support. However, if we break down below there, the market probably finds even more support closer to the \$61 level. At this point, the \$60 level looks to be the bottom of the most recent move, and based upon longer-term charts, I suspect that the \$62.50 level above is the overall target, and that's what I'm aiming for. I believe that the value of the greenback is going to be highly influenced by the jobs number today, and that of course can influence this market. If the US dollar falls off, that should lift this market. Brent markets tried to rally initially during the day as well, struggling at the \$68.25 level. Ultimately, we did pull back, but I think that the market is likely to see buyers eventually.

Pivot:	61.99		
Support	61.30	60.65	60.10
Resistance	62.40	62.75	63.20

Source: FX EMPIRE

Highlights

- Oil rose yesterday to its highest since May 2015, on concern about supply risks
- U.S oil stocks fell more than expected, continuing a steady drawdown of supplies in the world's largest oil consumer
- Cold weather across much of the country was expected to keep demand high
- U.S crude oil settled up 38 cents at \$62.01 yesterday, after earlier hitting \$62.21, its highest since May 2015
- U.S. crude stocks fell by 7.4 million barrels in the last week of 2017

Crude - Technical Indicators

RSI 14	54.05
SMA 20	48.33
SMA 50	47.10
SMA 100	47.26
SMA 200	50.65

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell today, dropping away from highs last seen in 2015, as soaring production in the United States undermined the 10 percent rally from lows hit in December that was driven by tightening supply and political tensions in OPEC member Iran.
- U.S West Texas Intermediate (WTI) crude futures were at \$61.92 a barrel, 9 cents below their last close though still near to the \$62.21 high reached the previous day that was the most since May 2015.
- Brent crude futures were at \$67.96 a barrel, 11 cents below their last settlement, but still not far off the \$68.27 high from the day before, also the highest since May 2015.
- Investors said political tensions in Iran, third-largest producer in the Organization of the Petroleum Exporting Countries (OPEC), had pushed prices higher. The protests in Iran add more fuel to the already bullish oil market mood.
- Oil prices have received general support by production cuts led by OPEC and by Russia, which started in January last year and are set to last through 2018, as well as by strong economic growth and financial markets.
- This has helped tighten markets. U.S commercial crude inventories fell by 7.4 million barrels in the week to Dec. 29, to 424.46 million barrels, according to data from the Energy Information Administration (EIA). That is down 20 percent from their historic peaks last March and close to the five-year average of 420 million barrels.
- Yet given Iran's oil production has not been affected by the unrest, and that U.S. production will likely break through 10 million barrels per day (bpd) soon, a level so far only reached by Saudi Arabia and Russia, doubts are emerging whether the bull-run can last.

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 fell towards the \$17 level during the trading session on Thursday, but found buyers in that area to rally significantly, towards the top of the overall consolidation. I believe that the \$17.25 level above is the top of the overall attitude of the market right now, so if we were to break above there, it's likely that we would go much higher, perhaps the \$17.50 level. Today, the employment figures coming out of the United States, for the month of December. This has a massive effect on the greenback, and that of course will have an effect in the precious metals markets. I believe that the markets are eventually going to find reason enough to go higher, but today could be a bit volatile. Dips are buying opportunities, unless of course we were to break down below the \$16.80 handle underneath. I believe longer-term we are getting ready to reach towards the \$18 level.

Pivot:	17.18		
Support	17.04	16.95	16.87
Resistance	17.30	17.40	17.47

Source: FX EMPIRE

Highlights

- Spot silver was down 0.4 percent at \$17.17, after touching its highest in over six weeks at \$17.27 in the previous session
- The dollar index against a basket of six major currencies is poised for a loss of 0.2 percent this week
- U.S private employers added 250,000 jobs in December, data from ADP showed
- Economists surveyed by Reuters had forecast a gain of 190,000 jobs
- Friday's U.S. non-farm payrolls report is expected to show job gains of 190,000 for December

Silver - Technical Indicators

RSI 14	78.27
SMA 20	17.25
SMA 50	17.16
SMA 100	16.79
SMA 200	16.88

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices are traded moderately lower in U.S trading yesterday. The profit-taking pressure seen in the precious metals is not unexpected as gold hit a 3.5-month high Wednesday, while silver prices scored a five-week high. February Comex gold was last down \$5.00 an ounce at \$1,313.40. March Comex silver was last down \$0.107 at \$17.16 an ounce.
- The just-released ADP national employment report for December showed a rise of 250,000, which was significantly higher than the increase of 195,000 that was expected. Gold and silver prices down-ticked on the news.
- Traders and investors are looking ahead to today's U.S. employment report from the Labor Department. This report is arguably the most important U.S. data point of the month. The key December non-farm payrolls number is forecast to come in at up 180,000.
- World stock markets were mostly firmer overnight. There was some upbeat economic data from China released yesterday, to help boost world equity markets. U.S. stock indexes are pointed toward higher openings when the New York day session begins. The U.S. indexes hit new record highs overnight. The rallying world stock markets are a bearish element for the competing asset class of precious metals.
- Gold and silver prices sold off Wednesday, right after the release of the minutes of the last Federal Open Market Committee (FOMC) meeting held on Dec. 12-13 saw the marketplace deem the minutes as favoring the hawkish camp on U.S monetary policy. The FOMC members are still seeking a gradual rise in U.S interest rates, with some members saying the new U.S tax policy could raise GDP.
- Tensions in Iran are still not far from the front burner of the market place. This matter is supporting some safe-haven gold and silver markets, as well as boosting the crude oil market.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2018	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Friday, January 05, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Jan 05	15:00	EUR Euro-Zone Producer Price Index (YoY) (NOV)	Low		2.5%	2.5%
Fri Jan 05	15:00	EUR Euro-Zone Consumer Price Index Core (YoY) (DEC)	High		1.0%	0.9%
Fri Jan 05	18:30	CAD Net Change in Employment (DEC)	High		2.0k	79.5k
Fri Jan 05	18:30	CAD Unemployment Rate (DEC)	High		6.0%	5.9%
Fri Jan 05	18:30	USD Change in Non-farm Payrolls (DEC)	High		190k	228k
Fri Jan 05	18:30	USD Change in Private Payrolls (DEC)	Medium		193k	221k
Fri Jan 05	18:30	USD Unemployment Rate (DEC)	High		4.1%	4.1%
Fri Jan 05	18:30	USD Average Hourly Earnings (YoY) (DEC)	Medium		2.5%	2.5%
Fri Jan 05	20:00	USD ISM Non-Manufacturing/Services Composite (DEC)	High		57.6	57.4

Source: Forex Factory, DailyFX

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