

Gold

Technical

The gold markets fell slightly during the Tuesday session, as we find resistance at the 1220 handle. I think that if we can break above the 1230 level, the market is clear to go much higher. If we can break down below the 1200 level, then I think the sellers will get involved. In the meantime, we are probably going to see quite a bit of back-and-forth type of trading. With this being the market we find ourselves in, it's likely that short-term trading is about as good as it's going to get in this market. The yellow metal found support near the 10-day moving average at 1,204. Resistance is seen near the mid-November highs at 1,231. Momentum is decelerating as the RSI moves lower with price action reflecting potentially lower prices. Japanese manufacturing activity accelerated at one of the fastest rates in the past 36-months on strong export orders.

Pivot:	1,201		
Support	1,195	1,192	1,188
Resistance	1,206	1,210	1,214

Highlights

- Gold futures finished lower yesterday, easing back after gains
- The U.S dollar strengthened a bit yesterday, putting pressure on dollar-denominated prices for the yellow metal
- Gold demand from China soon may ease as the nation gears up to celebrate the Lunar New Year holiday this weekend
- Gold prices have posted gains in each of the past four weeks
- In the last two weeks, Chinese demand has driven gold prices higher

Gold - Technical Indicators

RSI 14	63.70
SMA 20	1,177.00
SMA 50	1,170.90
SMA 100	1,222.70
SMA 200	1,268.80

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold drifted down today as Chinese demand ebbed ahead of the Lunar New Year festival, with some analysts warning of further declines as prices for the metal could be due a technical correction.
- That came after bullion touched two-month highs earlier in the week, buoyed by a weaker dollar and uncertainty over the policies of U.S. President Donald Trump. Spot gold had fallen 0.5 percent to \$1,202.90 per ounce. U.S. gold futures shed 0.7 percent to \$1,202.90.
- Gold was unable to capitalise on a softer dollar with Chinese physical demand beginning to wane as we head ever closer to the New Year holiday period. The dollar index, which measures the greenback against a basket of currencies, fell 0.1 percent to 100.270.
- Spot gold is due for a deep correction, following its failure to break strong resistance at \$1,219 per ounce. Gold prices have moved higher since the beginning of the year and need some technical correction in the very short-term.
- Gold might test levels of \$1,185 during the (Lunar New Year) period. The metal has rallied about 8 percent since mid-December, fuelled by worries over Trump's policies. Gold is often seen as a safe-haven investment in times of geopolitical and financial uncertainty.
- In Monday's trading session, Trump formally withdrew from the Trans-Pacific Partnership trade deal and told U.S. manufacturing executives he would impose a hefty border tax on firms that import products after moving American factories overseas.
- Meanwhile, holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.37 percent to 804.11 tonnes on Tuesday from 807.07 tonnes on Monday

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

The WTI Crude Oil market rallied slightly during the day on Tuesday, reaching towards the \$54 handle. Today we received the Oil Inventories announcement, and this of course has a massive effect on crude oil markets worldwide. Expected to be an addition of 2.45 million barrels in America, it's likely that this number will be parsed by traders around the world quite closely. Obviously, there should be quite a bit of volatility today, but unless there's something truly shocking about the number, we will more than likely continue to find a consolidation the way forward. I'm a seller of exhaustive candle's just below the \$55 level, just as I'm a buyer of support candles just above the \$51 level. In the meantime, expect a lot of volatility but longer-term I think that the oversupply is going to eventually turn this market back around. Momentum is neutral as the MACD index printing near the zero-index level.

Pivot:	52.99		
Support	52.66	52.38	52.20
Resistance	53.10	53.30	53.57

Highlights

- U.S oil production has increased by more than 6 percent since mid-2016
- Output is back to levels reached in late 2014, when strong U.S crude output contributed to a crash in oil prices
- President Donald Trump's promise to support the U.S oil industry has encouraged analysts to revise up their forecasts of growth
- Oil has been trading in a narrow range around the low \$50s over the past month
- OPEC said it and other oil-exporting countries had succeeded in cutting 1.5 million barrels a day

Crude - Technical Indicators

RSI 14	48.72
SMA 20	53.05
SMA 50	51.47
SMA 100	49.56
SMA 200	47.88



Source: Meta Trader

Fundamentals

- Oil prices fell today after builds in U.S. inventories reinforced expectations that increasing shale output this year would reduce the impact of production cuts by OPEC and other major exporters.
- Benchmark Brent crude was down 40 cents a barrel at \$55.04. U.S. light crude was down 40 cents at \$52.78. Weekly inventory data from the American Petroleum Institute (API) late on Tuesday showed U.S. crude, gasoline and diesel stocks rose more than expected last week.
- The U.S. government's Energy Information Administration (EIA) reports its own data today and traders will look to see whether the official figures confirm the industry's numbers.
- The API report was bearish. Expect more pressure on prices if the EIA shows similar numbers. Oil prices have found support in recent weeks from plans by the Organization of the Petroleum Exporting Countries and other producers to reduce output.
- Around 1.5 million barrels per day (bpd) has already been taken out of the market from about 1.8 million bpd agreed by oil majors starting on Jan. 1, energy ministers said on Sunday, as producers look to reduce oversupply.
- Bernstein Energy said global oil inventories declined by 24 million barrels to 5.7 billion barrels in the fourth quarter of last year from the previous quarter. The amount remaining equates to about 60 days of world oil consumption. But as OPEC is cutting, U.S. shale output is rising..
- Ministers said 1.5 million of almost 1.8 million barrels per day (bpd) had already been taken out of the market. In the medium term it is going to be tough for oil to break out. The more oil goes up, the more these shale drillers are going to hedge by the futures.

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 went back and forth during the day on Tuesday as we continue to see a lot of volatility in this market. The \$17 level looks to be very supportive, and because of this is likely that we will continue to see buyers just below, just as we see quite a bit of resistance at the \$17.50 level above. Because of this, I'm willing to stand on the sidelines for the short-term but recognize that we should get a decent signal soon. I will of course keep you up-to-date as to what I am doing. Silver found a bid with the help of US dollar weakness. The bounce from support took it up to the 17.20/33 zone the metal has carved out as resistance on the daily chart; this zone runs all the way back to June, so it's an important one as we are seeing with numerous failed attempts to push through. Price action is caught between a solid month-long uptrend keeping silver pointed higher and important resistance.

Pivot:	16.93		
Support	16.80	16.71	16.64
Resistance	17.06	17.12	17.20

Highlights

- Silver has had a relatively positive run over the past month as the metal has benefited from a range of uncertainty
- Silver has been steadily ticking higher, within a relatively wide bearish channel
- The past 24 hours have seen the bulls start to diminish within the market and price action's rise appears to have stalled
- Silver could actually be setting up for a fall and decline back towards the lower channel constraint
- Supporting the bearish contention is the recent rout of stock

Silver - Technical Indicators

RSI 14	59.02
SMA 20	16.51
SMA 50	16.52
SMA 100	17.26
SMA 200	18.05

Silver Daily Graph



Commodity News

Wednesday, January 25, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Jan 25	05:30	AUD Consumer Prices Index (YoY) (4Q)	High	1.5%	1.6%	1.6%
Wed Jan 25	12:00	CHF UBS Consumption Indicator (DEC)	Medium	1.5%		
Wed Jan 25	14:00	EUR German IFO - Business Climate (JAN)	Medium	109.8	111.3	111.3
Wed Jan 25	14:00	EUR German IFO - Expectations (JAN)	Medium	103.2	105.8	105.8
Wed Jan 25	14:00	EUR German IFO - Current Assessment (JAN)	Medium	116.9	116.9	116.9
Wed Jan 25	14:00	CHF ZEW Survey (Expectations) (JAN)	Medium			
Wed Jan 25	17:00	USD MBA Mortgage Applications (JAN 20)	Medium	4.0%		
Wed Jan 25	19:00	USD House Price Index (MoM) (NOV)	Medium		0.3%	0.3%
Wed Jan 25	20:30	USD DOE U.S. Crude Oil Inventories (JAN 20)	Medium			

Source: Forex Factory, DailyFX

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