

## Gold

### Technical

August Comex Gold finished higher on Monday after Fed Chair Janet Yellen delivered an upbeat assessment of the U.S. economy in a speech at the World Affairs Council of Philadelphia. However, she did not give a specific time period for the next hike but said the Fed funds rate probably needs to rise gradually over time. Technically, the main trend is down according to the daily swing chart. However, momentum has been to the upside since the bottom on May 31. The short-term range is \$1292.40 to \$1201.50. Its retracement zone at \$1247.00 to \$1257.70 is currently being tested. Since the main trend is down, this zone is capable of stopping the current rally and attracting fresh shorting pressure. The main range is \$1308.00 to \$1201.50. Its retracement zone at \$1254.80 to \$1267.30.

Pivot:	1,242		
Support	1,233	1,223	1,217
Resistance	1,251	1,258	1,261

### Highlights

- Gold futures posted their highest close in two weeks
- Weak jobs data lessen the likelihood of a June U.S. interest-rate increase
- Fed Janet Yellen, didn't explicitly rule out the possibility of a rate increase at the central bank's meeting later this month
- Gold rallied last week after the release of a weak May U.S jobs report
- Data on Friday showed that new jobs were created at the slowest pace in 5½ years last month

### Gold - Technical Indicators

RSI 14	34.14
SMA 20	1,239.02
SMA 50	1,249.33
SMA 100	1,235.83
SMA 200	1,169.86

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold slipped in today's European trading session but held near two-week highs as the metal was underpinned by cautious remarks by Federal Reserve chair Janet Yellen, who gave little indication about the timing of U.S. rate increases.
- Yellen on Monday provided a largely upbeat assessment of the U.S. economic outlook and said interest rate hikes are coming but gave little sense of when. After sliding over 6 percent in May, bullion has risen about 2.4 percent this month so far on diminishing expectations of an earlier than expected rate hike.
- Higher rates could dent demand for non-interest-paying gold. Spot gold dipped 0.2 percent at \$1,242.71 per ounce. It touched a two-week high of \$1,248.40 on Monday. U.S. gold fell 0.2 percent at \$1,245.40.
- The cautiousness of investors is probably temporary and we would expect investors to take this opportunity to reload and look at further gains in the coming weeks. There are some key data releases this week as well and investors probably don't want to commit aggressively until some of that data is passed.
- The Fed said on Monday that its index on labor market conditions fell to the lowest since May 2009, reinforcing a perception of slowing job growth following last week's stunningly weak payrolls report.
- Almost ruling out the possibility of a rate hike at the Fed's meeting next week, two top U.S. central bankers Dennis Lockhart and James Bullard continued to support the prospects of a rate rise soon after. The dollar declined on diminishing rate hike expectations.
- Janet Yellen's cautious jobs comments helped reaffirm the view that the Fed may hold off from raising rates at next week's FOMC meeting. Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.03 percent to 881.15 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	
23- Feb-16	227381	82403	73%	120854	284003	30%	49448	31277	61%	384,974
01- Mar-16	223186	70773	76%	115571	287002	29%	51148	36,819	61%	450555
08- Mar-16	252895	78085	76%	116493	311865	27%	53520	32958	62%	499110
15- Mar-16	247659	78147	76%	118610	304141	28%	49810	33791	60%	493086
22- Mar-16	258646	79815	76%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

Crude oil prices reversed Friday's initially decline, rebounding following news that establishments in the Niger Delta where being attacked. Prior to this news prices were under pressure following a report from Baker Hughes that showed that oil rigs increased in the latest week climbing 9-rigs. Support on crude oil prices is seen near the 10-day moving average at 49.20. Resistance is seen near the May highs at 50.20. Momentum remains negative as the MACD (moving average convergence divergence) index recently generated a sell signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses below the 9-day moving average of the spread. The index moved from positive to negative territory confirming the sell signal. The (RSI) is printing near 64, which is on the upper end of the neutral range and reflects upward momentum.

Pivot:	49.78		
Support	49.10	48.70	48.32
Resistance	50.10	50.50	50.75

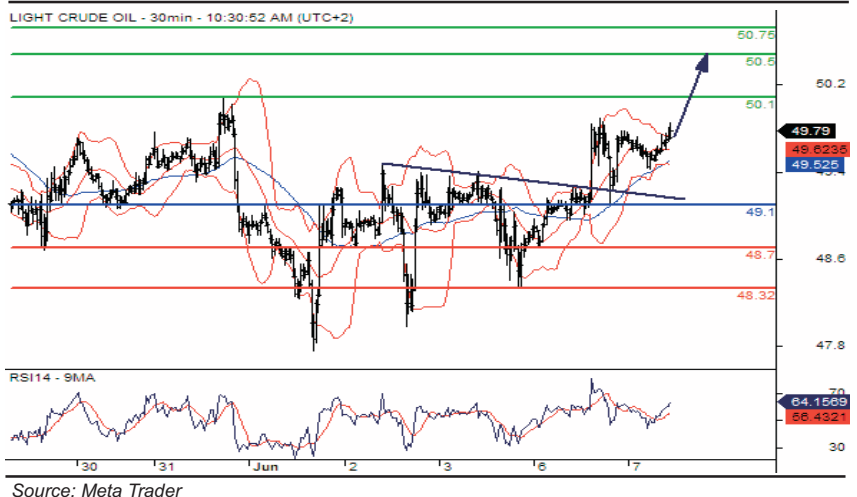
### Highlights

- Crude oil prices lost more steam as investors pulled back after the recent rally
- Prices would likely see-saw until there is more clarity on the U.S interest rates
- On the New York Mercantile Exchange, crude futures for delivery in July, traded at \$49.50 a barrel, down \$0.07
- The upside was tempered by comments from Fed chair Yellen that were supportive to the dollar
- A stronger Dollar makes the commodity more expensive for traders who conduct business in foreign currencies

### Crude - Technical Indicators

RSI 14	63.67
SMA 20	48.14
SMA 50	45.18
SMA 100	39.96
SMA 200	39.90

### Crude Oil Daily Graph



### Fundamentals

- Oil prices held close to their highest in seven months today, buoyed by the U.S. dollar skimming its lowest in nearly a month and by falling Nigerian oil output after a spate of attacks on infrastructure.
- U.S. crude oil futures were up 14 cents at \$49.83 a barrel. Preliminary work got under way on Monday to restart three of Total's French oil refineries, stopped as part of nationwide strikes.
- Crude futures have nearly doubled since January when they hit their lowest since late 2003 buoyed by supply outages in Canada, Venezuela, Libya and Nigeria. Nigeria's Bonny Light crude output is down by an estimated 170,000 barrels per day (bpd) following attacks on pipeline infrastructure, according to one source.
- OPEC failed to agree on a clear oil output strategy last week, but traders said Saudi Arabia's promise not to flood the market has provided support to oil. Oil, along with the rest of the commodities complex, has also been supported by a weaker dollar.
- Federal Reserve Chair Janet Yellen has indicated the U.S. central bank will raise interest rates, but has not given a sense of when. U.S commercial crude oil inventories likely fell by 3.5 million barrels last week, marking a third straight weekly drop, a preliminary Reuters poll showed. The data by the American Petroleum Institute is due out later today.
- Oil also received support after market intelligence firm Genscape reported a drawdown of 1.08 million barrels at the Cushing, Oklahoma, delivery point for WTI futures last week.
- The market is braced for signs of recovering U.S. oil production after weekly data from Baker Hughes showed that U.S. drillers added rigs for only the second time this 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	
23- Feb-16	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01- Mar-16	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
08- Mar-16	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
15- Mar-16	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
22- Mar-16	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

## Silver

### Technical

Silver markets rose slightly during the course of the day on Monday, breaking above the \$16.40 handle. After the impulsive move during the course of the day on Friday, it looks as if the silver markets will continue to offer buying opportunities. On pullbacks, the market should continue to find buyers below, so supportive candles at lower levels, and of course a break above the top of the range for the session on Monday will get traders to the long side. Selling isn't much of a thought at this point in time as silver should do well due to the anemic jobs number. There was some strength in overnight trading, but the momentum faded as the silver price opened at \$15.99 on Tuesday. By the end of the session, it settled at \$15.95 for a slight loss of 0.1%. Prices surged 2.1% to \$16.37 on the day. That was a natural reaction to the, which tumbled 1.6% to 93.87.

Pivot:	16.35		
Support	16.22	16.15	16.02
Resistance	16.55	16.65	16.75

### Highlights

- The silver price yesterday, continued last week's big turnaround
- Yesterday's gains were the result of Friday's huge curve ball that came in the form of a downbeat jobs report
- The U.S Labor Department reported that nonfarm payrolls had risen by just 38,000 jobs in May
- If interest rates climb, silver prices fall. If they drop or remain steady, the picture can be quite bullish for silver prices
- During the previous trading week ending June 3rd 2016, silver ended up

### Silver - Technical Indicators

RSI 14	38.00
SMA 20	16.49
SMA 50	16.66
SMA 100	15.95
SMA 200	15.29

### Silver Daily Graph



### Fundamentals

- Silver was down 0.5 percent in today's Asian trading session at \$16.38 an ounce but struggling to hold on to its gains following a weaker dollar, as cautious remarks by Federal Reserve chair Janet Yellen gave few indications about the timing of U.S. rate increases.
- Yellen yesterday gave a largely upbeat assessment of the U.S. economic outlook and said interest rate hikes are coming but, in an omission that stood out to some investors, gave little sense of when.
- Two more top U.S central bankers yesterday joined a chorus of policymakers all but dismissing the possibility of an interest rate hike next week, but professing their continued belief a hike soon after will be possible.
- The Fed said yesterday that its index on labor market conditions fell to its lowest since May 2009, reinforcing a perception of slowing job growth following last week's stunningly weak payrolls report.
- The Dollar index, which tracks the U.S currency against a basket of six major rivals, nudged up 0.1 percent to 93.959 , but it remained within sight of its overnight low of 93.745, its weakest level since May 11.
- The employment report didn't derail the Fed's desire to raise rates later this year, but given the volatility observed in the data recently, the path is still expected to be very gradual.
- The precious metal had rallied 2.8 percent on Friday after surprisingly weak U.S. jobs data dampened expectations of rate hikes from the Fed. Rising rates lift the opportunity cost of holding the non-yielding metal, while boosting the dollar, in which precious metals are priced. Although prices could still work a bit higher from here over the course of the month, investors think values will be hard pressed to push above over the course of June.

### US Commodity Futures Trading Commission (CFTC) Data

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	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01- Mar-16	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
08- Mar-16	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
15- Mar-16	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
22- Mar-16	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Tuesday, June 07, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Jun 07	04:30	Reserve Bank of Australia Rate Decision (JUN 7)	high	1.75%	1.75%	1.75%
Tue Jun 07	05:00	Japan Leading Index (APR)	medium	100.5	100.6	99.3
Tue Jun 07	05:00	Japan Coincident Index (APR)	medium	112.2	112.9	111.1
Tue Jun 07	07:30	U.K Halifax House Price (3MoY) (MAY)	low	9.2%	8.9%	9.2%
Tue Jun 07	09:00	Euro-Zone Gross Domestic Product s.a. (YoY) (1Q)	medium		1.5%	1.5%
Tue Jun 07	14:00	Canada Ivey Purchasing Managers Index s.a. (MAY)	low			53.1
Tue Jun 07	19:00	U.S Consumer Credit (APR)	medium		\$18.000b	\$29.674b
Tue Jun 07	23:50	Japan Trade Balance - BOP Basis (Yen) (APR)	medium			¥927.2b
Tue Jun 07	23:50	Japan Gross Domestic Product Annualized (1Q)	medium		2.0%	1.7%

Source: Forex Factory, DailyFX

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