

## Gold

### Technical

Gold prices broke out ahead of a trifecta of catalyst that could drive volatility, hitting a fresh 6-month high. The ECB will meet this week to determine monetary policy, and potentially alter their forward guidance. The UK will hold general election and May's lead in the polls has narrowed, which could generate volatility. Prices broke out above trend line resistance that connects the highs in November to the highs in April and comes in near 1,282. This is now short-term support, and below that level is the 10-day moving average at 1,269. Resistance is seen near the today's highs at 1,296. Momentum remains positive as the MACD histogram prints in the black with an upward sloping trajectory which points to higher prices for the yellow metal. The RSI broke out as well reflecting accelerating positive momentum. Resistance is seen near the 74 level, where the current print is 67.

Pivot:	1,292		
Support	1,287	1,283	1,277
Resistance	1,297	1,300	1,305

### Highlights

- Gold held near its highest in seven months today in Asian session ahead of key political and economic events
- National election in the UK, a policy meeting of the ECB and a Senate testimony by former FBI director due on Thursday
- Gold is often used as an investment option during times of political uncertainty
- A U.S interest rate hike in mid-June should yield a more expensive greenback
- Holdings in SPDR Gold Trust yesterday rose 0.49 percent to 855.16 tonnes

### Gold - Technical Indicators

RSI 14	65.71
SMA 20	1,323.2
SMA 50	1,291.3
SMA 100	1,234.5
SMA 200	1,235.8

### Gold Daily Graph



### Fundamentals

- Gold held steady near its highest in seven months on Wednesday, supported by a weaker U.S. dollar ahead of key political and economic events that are expected to stoke bullion's safe-haven appeal.
- Spot gold was nearly flat at \$1,293.03 per ounce. On Tuesday, it rose 1.1 percent and hit its highest level since November last year at \$1,295.97 an ounce. U.S gold futures for August delivery dipped 0.2 percent to \$1,295.6 an ounce.
- The dollar index, which tracks the greenback against six major rivals, was down 0.1 pct. MSCI's broadest index of Asia-Pacific shares outside Japan edged down 0.2 percent.
- With British elections, a European Central Bank meeting where policymakers may take a less dovish stance, and former FBI director James Comey's Senate testimony all set for Thursday, market participants will be wary of taking big positions.
- U.S job openings surged to a record high in April and employers appeared to have trouble finding suitable workers, pointing to a tightening labour market that could encourage the Federal Reserve to raise interest rates later this month.
- Former FBI chief Comey will likely hold back from accusing President Donald Trump of trying to interfere with an investigation into links between Trump's election campaign team and Russian officials when he testifies in Congress this week.
- Global investors are distinguishing between the UK and the rest of Europe as part of a fundamental reassessment of what investing in the region means, reflecting growing enthusiasm for Europe's broad economic prospects and nervousness about thorny and possibly protracted Brexit negotiations.

### 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

West Texas Intermediate and internally-favored Brent crude oil futures closed higher on Tuesday after finding support at a key area on the daily chart. Earlier in the session, the markets were pressured by the diplomatic dispute in the Middle East and worries over high U.S. crude oil inventories. July WTI crude oil finished the session at \$48.19, up \$0.79 or +1.67%. According to technical chart-watchers, the WTI's main range is \$44.13 to \$52.00. Its 50% to 61.8% zone is \$48.07 to \$47.14. The market has been straddling this zone the past three days in an effort to establish support. The current chart pattern suggests that holding above \$48.07 will indicate the buying is getting stronger. In other news, on Tuesday, the U.S. Department of Energy signaled it is now more confident that U.S. oil production will rise to 10 million barrels a day next year, the highest average annual level on the books.

Pivot:	48.05		
Support	47.65	47.42	47.05
Resistance	48.40	48.67	49.05

### Highlights

- Oil prices edged lower in European trading as investors looked ahead to weekly data from the U.S on stockpiles of crude
- The U.S West Texas Intermediate crude July contract was at \$47.98 a barrel, down 21 cents, or around 0.4%
- Oil prices finished higher for the first time in three sessions yesterday
- API said that U.S oil inventories fell by 4.62 million barrels
- U.S Energy Information Administration will release its official weekly report today

### Crude - Technical Indicators

RSI 14	46.23
SMA 20	45.56
SMA 50	47.63
SMA 100	48.76
SMA 200	50.11

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices dipped today on renewed concerns about the efficacy of OPEC-led production cuts due to rising tensions within the export group over Qatar and growing U.S. output.
- U.S light crude prices were at \$47.89 per barrel, down 30 cents. The U.S. Energy Information Administration (EIA) said on Tuesday U.S crude oil production could hit a record 10 million bpd next year, up from 9.3 million bpd now, putting it nearly on a par with top exporter Saudi Arabia.
- In the nearer term, with fuel production and consumption largely balanced according to the EIA, the market is focused on inventories which remain bloated. In the United States, official inventory data from the EIA will be published today, with expectations of a fall in stockpiles.
- The Organization of the Petroleum Exporting Countries has pledged to cut almost 1.8 million barrels per day (bpd) to help reduce global inventories to their five-year average.
- Investors saw a risk that rivalries between OPEC members could weaken the production cut agreement. Some Arab states, including OPEC members Saudi Arabia and the United Arab Emirates, cut diplomatic and transport ties with Qatar, a small producer.
- The spat adds to other lingering doubts about whether the agreement will be enough to support prices. But Qatar's isolation had caused some disruptions oil and other trade that offered some short-term support for oil prices.
- Concerns that the ongoing rebound in U.S. shale production could derail efforts by other major producers to rebalance global oil supply and demand remained in focus. Elsewhere on Nymex, gasoline futures for July inched up 0.3 cents, or about 0.2%, to \$1.529 a gallon.

### 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 rallied during the day on Tuesday, using the \$17.50 level as a support level. Because of this, we look very bullish and I believe that we are going to go looking for the next logical level above, which would be the \$18 level. Silver has done quite well as of late, and I don't see that changing anytime soon. Given enough time, I think we also break above the \$18 level and go looking towards the \$20 handle. Precious metals in general have done relatively well recently, and that could be the longer-term outlook for both gold and silver as political uncertainty continues. With that being the case, I like buying dips in this market, and believe that owning physical silver is also a very important thing for longer-term traders as it is a way to take the danger of leverage out of the equation. I believe that the \$17.50 level underneath will continue to offer a bit of a floor.

Pivot:	17.68		
Support	17.50	17.40	17.30
Resistance	17.85	18.00	18.13

### Highlights

- Spot silver prices are trading almost unchanged at \$17.693 an ounce today
- Two main drivers of gold and silver are the value of the U.S. dollar and uncertainty
- Market participants seems wary of taking big positions
- U.S job openings surged to a record high in April and employers appeared to have trouble finding suitable workers
- Global investors are distinguishing between the UK and the rest of Europe as part of a fundamental reassessment

### Silver - Technical Indicators

RSI 14	56.32
SMA 20	19.22
SMA 50	18.34
SMA 100	17.49
SMA 200	17.54

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver prices rose in yesterday's session, as prevailing dollar weakness continued to underpin precious metals. Silver for July settlement was trading at \$17.566 a troy ounce at, having gained 7 cents, or 0.5%, from the previous session's close.
- The futures contract traded within a narrow range of \$17.51 and \$17.71 through the overnight session. Gold prices advanced, with the August futures contract gaining \$12.30, or 1%, to \$1,295.00 a troy ounce.
- Gold's premium over silver has declined over the past four weeks, reflecting the latter's outsized percentage gains. By the end of Monday's session, one ounce of gold was worth 72.91 ounces of silver. That represents a decline of 3.5% over the past 30 days. Still, both metals are hovering at six-week highs.
- The U.S. dollar continued to plumb eight-month lows on Thursday, providing a strong catalyst for precious metals. The dollar index, an exchange-weighted average of the greenback against a basket of six rivals, fell 0.2% to 96.61.
- The Reserve Bank of Australia (RBA) held its trend-setting interest rate at 1.5% on Tuesday, as officials kept monetary policy highly accommodative in support of economic growth. Later this week, the European Central Bank (ECB) will deliver its latest policy verdict.
- There were no other major economic news events scheduled in the North American session. Action picks up today with a spate of global data releases, including Australian and euro area gross domestic product (GDP).
- Silver was trading in red in the morning trade today on account of profit booking amid subdued demand for precious metals from jewellers, industries and retailers. The dollar index, which tracks the greenback against six major rivals, was down 0.1 pct.

### 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

## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Jun 07	06:30	AUD Gross Domestic Product (YoY) (1Q)	High	1.7%	1.6%	2.4%
Wed Jun 07	10:00	JPY Leading Index (APR P)	Medium	104.5	104.3	105.7
Wed Jun 07	11:00	EUR German Factory Orders n.s.a. (YoY) (APR)	Medium	3.5%	4.7%	2.5%
Wed Jun 07	13:30	EUR OECD Economic Outlook	Medium			
Wed Jun 07	16:00	USD MBA Mortgage Applications (JUN 02)	Medium			-3.4%
Wed Jun 07	17:30	CAD Building Permits (MoM) (APR)	Medium			-5.8%
Wed Jun 07	19:30	USD DOE U.S. Crude Oil Inventories (JUN 02)	Medium		-3250k	-6428k
Wed Jun 07	19:30	USD DOE U.S. Gasoline Inventories (JUN 02)	Low		-50k	-2858k
Wed Jun 07	19:30	USD DOE Cushing OK Crude Inventory (JUN 02)	Low		-450k	-747k

Source: Forex Factory, DailyFX

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