

Gold

Technical

Gold prices moved lower on Wednesday one day before the historic U.K. referendum vote. The market is priced for a remain vote and a surprise leave vote would likely generate a robust rally in gold. After closing through support near the 10-day moving average which is now seen as resistance at 1,280, prices are poised to test target support near the 100-day moving average at 1,243. Momentum on the yellow metal is poised to turn negative as the trajectory of the MACD (moving average convergence divergence) index is negative moving toward 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 which will confirm the sell signal. The RSI (relative strength index) moved lower with price action, reflecting accelerating negative momentum.

Pivot:	1,263		
Support	1,256	1,249	1,242
Resistance	1,278	1,294	1,300

Highlights

- Gold prices slid yesterday for the fourth session in a row
- Holdings in the SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.39 percent to 915.90
- The precious metal has rallied in recent weeks on fears Britain may leave the EU
- Opinion polls have suggested a stronger likelihood the country will vote to remain in the bloc
- Ms. Yellen reiterated that the Fed plans to raise interest rates gradually this year

Gold - Technical Indicators

RSI 14	65.40
SMA 20	1,242.60
SMA 50	1,256.06
SMA 100	1,246.98
SMA 200	1,176.28

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold edged up after touching a fresh two-week low early on Thursday on cautious optimism that British voters would opt to stay in the European Union. A vote to leave the 28-member bloc could tip Europe back into recession, putting more pressure on the global economy and increasing the appeal of bullion as a counter-cyclical asset.
- Polling will take place today, with the results expected early on Friday. Spot gold was up 0.3 percent at \$1,269.60 an ounce. Bullion touched a low of \$1,260.36 earlier in the session, its worst since June 9. U.S gold was up 0.2 percent at \$1,272.
- In the near term, gold appears heavily focused on the United Kingdom referendum vote and will likely move according to the results. Once the effects of the referendum results pass, economists would expect that gold will eventually focus back on other price drivers and fundamentals. There is a good argument that in the near term gold may be overbought.
- The poll verdict aside, the medium- to long-term view for the yellow metal, which has risen about 20 percent this year, is still bullish and \$1,250 to \$1,315 an ounce is likely to be the range in the immediate future, said Mark To, head of research at Hong Kong's Wing Fung Financial Group.
- The major factor affecting gold (in the long term) is not a single risk event like Brexit. gold prices could drop down to \$1,230 an ounce if Britain chooses to continue being a part of the European Union.
- Ahead of the UK vote, gold investors sought to protect themselves by increasing their options positions on Wednesday. Implied volatility, a measure of options activity, in Comex July gold calls and puts with strike prices that are as much as \$50 higher or lower than current prices soared to record highs in yesterday's trading session.

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

Crude oil prices moved lower on Wednesday following a report from the Department of Energy that showed a smaller than expected draw in crude oil inventories.

Prices slipped below support near the 10-day moving average at 48.80. Additional support is seen near the June lows at 45.93. Resistance is seen near the June highs at 51.65. U.S. commercial crude oil inventories decreased by 0.9 million barrels from the previous week. Expectations were for a 1.5-million-barrel decline. Gasoline inventories increased by 0.6 million barrels last week, and well above the upper limit of the average range. Distillate fuel inventories increased by 0.2 million barrels last week. Demand remains robust especially for gasoline and jet fuel. According to the EIA, total products demand over the last four-week period averaged over 20.2 million barrels per day, up by 2.1% from the same period last year.

Pivot:	49.36		
Support	48.34	47.34	46.52
Resistance	50.54	51.40	51.92

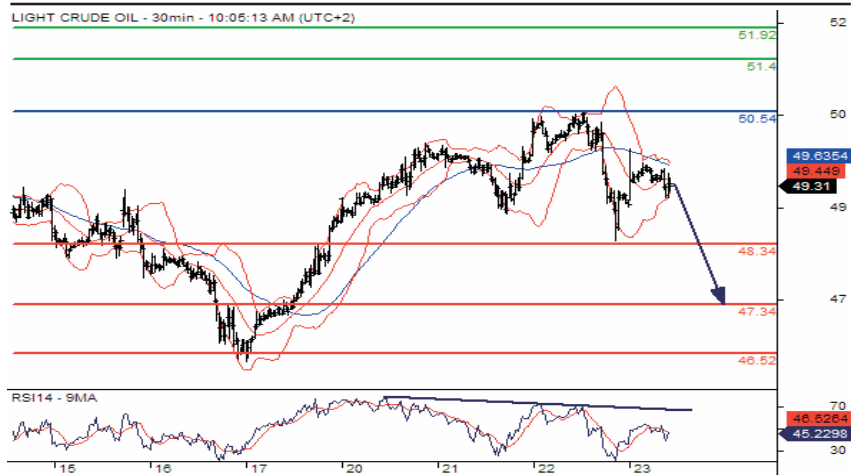
Highlights

- Crude oil prices rose as voters went to the polls in a landmark British referendum
- Market sentiment has improved as support for the U.K. to stay in the bloc has gained traction, stoking oil prices higher
- Crude futures traded at \$49.37 a barrel, up 25 cents, or 0.5%
- Results from different constituencies will trickle in after midnight local time
- If U.K chooses to leave, it would spur economic headwinds for the region and send the greenback soaring

Crude - Technical Indicators

RSI 14	46.50
SMA 20	49.26
SMA 50	47.05
SMA 100	41.89
SMA 200	40.01

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices were up slightly today in Asian and European session, shrugging off a smaller-than-expected decline in U.S. stockpiles, as the market nervously awaited the result of Britain's "Brexit" vote
- Trading has been choppy in the run up to Thursday's vote on whether Britain leaves or stays in the European Union (EU), although markets appear to have largely priced in a "Remain" vote.
- U.S oil was up 1 cent to \$49.14 a barrel, after slipping lower earlier. Both contracts were up for most of the day in Asian trading. Once the Brexit vote is out of the way the oil market is likely to switch its focus to fundamentals, turning its attention to more potential supply disruptions that have sent prices higher this year.
- The worsening crisis in Venezuela, the country with the highest oil reserves, may be the next source of supply concern, said Tony Nunan, oil risk manager at Mitsubishi Corp in Tokyo.
- There is a cloud hanging over the market from the Brexit vote, which is keeping prices down a bit. U.S. crude inventories fell less than expected last week, while product inventories were up slightly, the U.S. Energy Information Administration said on Wednesday.
- Crude inventories dropped 917,000 barrels in the week ended June 17, compared with expectations for a decrease of 1.7 million barrels. It was the fifth consecutive week of drawdowns for crude inventories. The pound rose to a six-month high against the dollar today.
- Many analysts have said that if U.K chooses to leave today, it would spur economic headwinds for the region and send the greenback soaring. An appreciating dollar negatively affects traders who conduct oil business in foreign currencies.

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

Commodity News

Thursday, June 23, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Jun 23	11:00	GBP Brexit Referendum: Polls Open	high			
Thu Jun 23	12:30	EUR Markit/BME Germany Composite PMI (JUN)	medium		54.3	54.5
Thu Jun 23	13:00	EUR Markit Eurozone Composite PMI (JUN)	medium		53	53.1
Thu Jun 23	05:30	USD Chicago Fed Nat Activity Index (MAY)	low		0.11	0.1
Thu Jun 23	05:30	USD Initial Jobless Claims (JUN 18)	medium		270K	277k
Thu Jun 23	05:30	USD Continuing Claims (JUN 11)	medium		2144k	2157k
Thu Jun 23	06:45	USD Markit US Manufacturing PMI (JUN)	medium		50.9	50.7
Thu Jun 23	02:00	GBP Brexit Referendum: Polls Close	high			
Thu Jun 23	04:30	GBP Brexit Referendum: First Results (Approximate Time)	high			

Source: Forex Factory, DailyFX

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