

Gold

Technical

Gold prices knee jerked higher, notching up a high of 1,358, before experiencing initial profit taking pushing the currency pair back to 1,318. Additional support which was recently resistance is seen near the 10-day moving average at 1,284. Resistance is seen near the March 15 highs at 1,388. Momentum has quickly turned higher as the MACD (moving average convergence divergence) index generated a buy signal.

This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses above the 9-day moving average of the spread. BoE and ECB are standing ready with liquidity measures to deal with the short term turbulences, but the BoE already said in its latest statement that the medium term impact on U.K. rates, will depend on both currency moves, and the growth outlook and which will have a greater impact on the inflation outlook.

Pivot:	1,325		
Support	1,294	1,270	1,250
Resistance	1,368	1,393	1,430

Highlights

- Gold rose a second day as financial markets continued a selloff following the U.K.'s vote to exit the European Union
- Inflows into bullion-backed funds surged the most by value since 2012.
- Bullion for immediate delivery advanced as much as 1.5 percent to \$1,335.55 an ounce before trading at \$1,326.50
- The metal was propelled as high as \$1,358.54 on Friday
- Gold is up 25 percent this year as demand for haven assets surges

Gold - Technical Indicators

RSI 14	66.40
SMA 20	1,280.60
SMA 50	1,265.06
SMA 100	1,253.98
SMA 200	1,182.28

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold climbed in today's Asian trading session, trading near a more than two-year peak reached in the previous session, as investors sought refuge in the safe-haven amid economic and political uncertainty after Britain voted to exit the European Union.
- Bullion surged 4.8 percent on Friday, its biggest single-day gain since January 2009, as the British exit, or Brexit, forced a selloff in risky assets from industrial commodities to stocks and sterling. The pound and Asian stocks continued to reel on today.
- Finance minister George Osborne said Britain's vote to leave the bloc was likely to lead to further volatility on financial markets but said the economy was about as strong as it could be to cope with the challenge ahead.
- Spot gold rose as much as 1.5 percent to \$1,335.30 an ounce and was trading at \$1,326.61, up 0.9 percent. The metal rallied as much as 8 percent on Friday to peak at \$1,358.20, the highest since March 2014. U.S. gold for August delivery was up 0.7 percent at \$1,331.10 an ounce.
- "In the next week or two, we think gold could push towards \$1,400," said ANZ commodity strategist Daniel Hynes, adding that a weak U.S. dollar and a dovish Federal Reserve would also support bullion. The referendum verdict likely means the Fed's ambitions for two rate rises this year have been placed on hold, analysts and experts say.
- HSBC said it believes "gold may reach \$1,400 an ounce on a 'safe-haven' bid generated by the UK vote". "It is even possible that gold may trade higher longer term if the UK vote creates wider EU concerns."
- Goldman Sachs too has raised its gold price forecasts saying Brexit suggested a more sustainable impact on the trajectory of U.S. interest rates. Holdings in SPDR Gold Trust GLD, jumped 2 percent to 934.31 tonnes on Friday.

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 in the wake of the U.K. vote to leave the EU. The decision to exit shocked officials and paving the way for a resignation of Prime Minister David Cameron. The weekend will give markets time to reflect and while the vote is a shock to many, EU law will continue to apply for now and the U.K. will face a negotiation process to determine the terms of the divorce that could take up to 2 years. So the uncertainty about the future relationship between the U.K and the EU will continue for some time and as always uncertainty is the greatest problem for markets as well as businesses on both sides of the channel. Support is seen near an upward sloping trend line that connects the lows in February and the lows in June and comes in near 45.50. Momentum remains negative as the MACD prints in the red with a downward sloping trajectory which points to lower prices.

Pivot:	47.73		
Support	46.40	45.90	45.10
Resistance	48.40	49.10	50.56

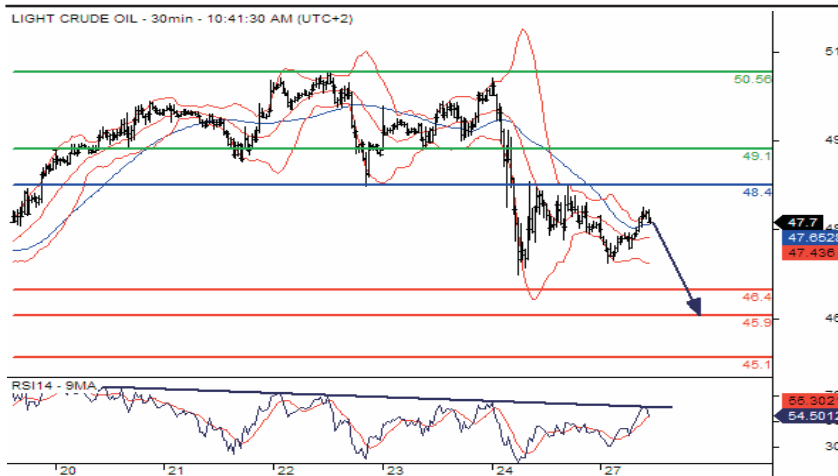
Highlights

- Oil prices steadied today as market participants better absorbed the shock of last week's vote in Great Britain to leave the EU
- Crude benchmark closed down around 5 percent on Friday
- Britain's EU exit would have very little impact on physical oil trading
- Money managers were bullish in the run-up to the British vote
- The number of active rigs digging for oil in the U.S fell for the first time in four weeks, according to data by Baker Hughes Inc.

Crude - Technical Indicators

RSI 14	45.96
SMA 20	48.86
SMA 50	47.93
SMA 100	43.61
SMA 200	40.09

Crude Oil Daily Graph



Fundamentals

- Oil prices edged higher on Monday as global trading reopened for the week following the U.K.'s unexpected decision to leave the European Union on Friday.
- The global benchmark, Brent, was trading up 0.4% at \$48.59 a barrel. Its U.S. counterpart, West Texas Intermediate, was trading up 0.3% at \$47.80 a barrel. Oil prices plunged by nearly 7% at one point on Friday as Britain's decision to exit the EU, known as "Brexit," surprised investors, triggering a selling spree across global markets.
- The volatility is likely to remain over the near term, as the pound fell further on Monday and sent the U.S. dollar soaring. A stronger greenback makes oil more expensive for traders using other currencies, typically pushing prices down. But most analysts agree that strong oil market fundamentals are likely to limit losses to prices.
- The U.K.'s vote to leave the EU will likely have only a minor impact on global oil supply and demand since Britain accounts for less than 2% of the world's oil demand.
- Still, the move has shaken investor confidence in the region's economic growth, with some fearing it could lead to a copycat reaction in other EU members. A potential slowdown in investment could mean less regional output, which would narrow the supply and demand gap in oil.
- On a positive note, the vote could delay producers' investment plans, making them hesitant to bring back investment even with a bounce in prices, especially in the U.S.
- In Asia, refining margins have collapsed because of a glut of refined products pumping out of China. But one analyst suggested that demand would remain fundamentally strong.

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 rallied during the day on Friday, as the United Kingdom left the European Union. With this being the case, the market looks as if it is going to continue to go higher, even though we gave back quite a bit of the gains. Ultimately, short-term pullbacks should be buying opportunities as there is more than enough support below. A break out above the top of the range for the day on Friday would also be a very bullish sign, and have us going long. At this point in time, I have no interest whatsoever in selling this market. We need to clear the top of the range for the week in order to start buying. A break down below \$17 should send this market looking for the \$16 level next. At this point in time, precious metals do seem to be getting a bit overall in what is almost certainly going to be a low interest rate environment for the foreseeable future.

Pivot:	17.75		
Support	17.43	17.16	16.90
Resistance	18.32	18.45	18.70

Highlights

- Friday's precipitous declines perfectly expressed the negative sentiment Brexit instilled in equities and currencies
- The surprise outcome has stunned market commentators around the world
- The implications of Brexit are now tipping the financial scales toward a chaos
- Gold and silver may now continue to rise in this week
- Immediate threats emerging include a resurrection of Scottish independence impetus

Silver - Technical Indicators

RSI 14	65.08
SMA 20	17.49
SMA 50	17.00
SMA 100	16.39
SMA 200	15.45

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver was up 2.65 pct at \$17.73 an ounce after Britain delivered a shock vote to leave the European Union, sending investors scurrying for protection in bullion and other assets perceived as lower risk.
- The 52 percent backing for leaving the 28-member bloc created the biggest global shock since the 2008 financial and economic crisis. The result reverberated worldwide, prompting more investors to park their cash in the safety of gold and shun assets that would be weakened by a slowing global economy.
- The dollar index, measured against a basket of currencies, rose its most in a day in six years. Investors are looking for alternatives to risk exposure and both gold and the silver are expressing that.
- The dollar rose almost 2 percent against the euro, its biggest daily advance since Aug 2010, while sterling fell to 31-year lows as investors scrambled for protection in assets perceived as lower risk, such as U.S. Treasuries, the Swiss franc and yen.
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- There are elections in France and Germany next year, but before then we've got the U.S. (presidential) election. Uncertainty is rife and gold is reflecting that. There is no indication that the global financial market are anywhere near a meltdown as we saw in 2008.
- U.S. short-term interest rates futures hit contract highs in early U.S. trading, boosting expectations the Federal Reserve may cut interest rates to help shield the economy from any global fallout. This isn't necessarily about Britain, it's about uncertainty in the world's largest economy.

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	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
5/17/2016	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
5/24/2016	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
5/31/2016	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
6/07/2016	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Monday, June 27, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Jun 27	03:45	NZD Trade Balance (New Zealand dollars) (MAY)	Medium	358m	182m	326m
Mon Jun 27	03:45	NZD Balance (YTD) (New Zealand dollars) (MAY)	Medium	-3633m	-3843m	-3624m
Mon Jun 27	06:30	CNY Industrial Profits (YoY) (MAY)	Low	3.7%		4.2%
Mon Jun 27	13:00	CHF Total Sight Deposits (JUN 24)	Low	501.2b		496.4b
Mon Jun 27	17:30	USD Advance Goods Trade Balance (MAY)	Medium		-\$59.4b	-\$57.5b
Mon Jun 27	18:45	USD Markit US Services PMI (JUN P)	Medium		51.9	51.3
Mon Jun 27	18:45	USD Markit US Composite PMI (JUN P)	Medium			50.9
Mon Jun 27	19:30	USD Dallas Fed Manufacturing Activity (JUN)	Low		-15.0	-20.8
Mon Jun 27	22:30	CNY PBOC Governor Zhou Speaks at ECB Forum in Sintra, Portugal	Low			

Source: Forex Factory, DailyFX

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