

Gold

Technical

Gold markets have gone sideways in yesterday's trading session, after selling off rather drastically on Tuesday. The US dollar strengthening of course is a main driver of bearish pressure in gold, but I think we are getting close to a bounce in the EUR, which by its very significance in the US Dollar Index should send gold higher. It may take a day or so, but eventually I think value hunters come back into the gold market, and once we break above the \$1325 level, we will probably grind towards the \$1340 level, and then eventually the \$1350 level. I expect volatility, which is typical for gold markets, so keeping your leverage low is going to be crucial, as it will lie you to hang on through the noise that we are likely to see. I think that longer-term, we are going to try to break above the \$1400 level, and once we do becomes a buy-and-hold situation.

Pivot:	1,313			
Support	1,307	1,302	1,300	
Resistance	1,320	1,325	1,330	

Source: FX EMPIRE

Highlights

- Gold prices fell to a three-week low today, weighed down by a stronger Dollar
- Investors are waiting the second session of Fed Chair's testimony before the Senate Banking Committee later in the global day
- The dollar index, which measures the greenback against a basket of major currencies, was steady at 90.617
- The gold market is keenly waiting for the second round of Powell's testimony
- Gold needs a good day up for people to feel confident to buy it

Gold - Technical Indicators

RSI 14	63.56
SMA 20	1,253.2
SMA 50	1,246.1
SMA 100	1,276.3
SMA 200	1,284.8

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices dipped today in Asian trading session, pulled down as the U.S Dollar remained strong following comments from Federal Reserve Chairman Jerome Powell that fanned concerns of faster-than-expected hikes in US interest rates.
- Spot gold was 0.2 per cent lower at \$1,315.36 an ounce. Prices have fallen about 1 per cent so far this week. US gold futures were down 0.1 per cent at \$1,316.7 per ounce.
- The dollar index, which measures the greenback against a basket of major currencies, was up 0.1 per cent at 90.716. It had earlier touched its highest since January 19 at 90.744.
- The U.S currency, which in February recorded its best monthly performance since November 2016, has been bolstered by Powell's hawkish stance on the US economy that fuelled expectations of interest rates being raised four times this year rather than three.
- Today, Powell will deliver more testimony in front of the Senate Banking Committee. Asian stocks skidded on Thursday after Powell's comments rekindled fears about the pace of US monetary tightening this year.
- US economic growth slowed slightly more than initially thought in the fourth quarter after the strongest pace of consumer spending in three years depleted inventories and drew in imports as businesses struggled to produce enough goods and services.
- Euro zone inflation slowed to a 14-month low in February, underlining the European Central Bank's caution in removing stimulus despite growth exceeding expectations and the bloc's economy seeming to be on its best footing in a decade.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
12/08/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
12/15/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
12/12/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
12/29/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market has gone sideways initially on Wednesday, but then broke down rather significantly. The \$62 level has offered a bit of support, and I think that some type of bounce is probably going to give us an opportunity to start shorting, and I believe that the market will then reach to much lower levels. I believe that the market will eventually go hunting the \$60 level, but I think that it will be very noisy between here and there. After all, I believe that the oversupply of crude oil in the United States will continue to weigh upon the value of this market. The Brent market went sideways after initially falling on Wednesday, went sideways again near the \$66.50 level, and then broke down significantly after that to reach towards the \$65 level. This is an area that obviously has been important in the recent past, so I think it's only a matter of time before we get some type of bounce.

Pivot:	61.79		
Support	60.95	60.45	59.75
Resistance	62.60	62.95	63.30

Source: FX EMPIRE

Highlights

- Oil extended its biggest decline in three weeks as U.S data showed inventories and production both surged, while the dollar gained
- Futures in New York fell as much as 0.9 percent, after losing 3.6 percent in the previous two sessions
- U.S crude stockpiles last week rose to the highest level since December
- Data for November showed the shale boom drove U.S output to a record
- Oil has erased most of the gains it made since the start of the year

Crude - Technical Indicators

RSI 14	57.06
SMA 20	44.65
SMA 50	46.23
SMA 100	47.56
SMA 200	53.27

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices edged up today after sharp falls in the previous two sessions, though gains were limited as some investors shied away from riskier assets amid volatile equity markets and a stronger dollar.
- Both global benchmark oil futures fell sharply after government data showed a larger-than-expected rise in U.S. crude inventories. U.S West Texas Intermediate crude for April delivery was up 13 cents, or 0.2 percent, at \$61.77 a barrel. It settled the previous session down 2.2 percent.
- Brent crude for May delivery, the new front-month contract, was up 17 cents, or 0.3 percent, at \$64.90. The April contract expired on Wednesday, down 1.3 percent. Both benchmark contracts fell nearly 5 percent in February, the first monthly declines in six months.
- An extended large decline in equities has been prompting investors to avoid risk assets such as oil. Some industry sources said yesterday's drop was also due to profit-taking by market participants at the end of the month after oil hit a three-week high earlier this week.
- Meanwhile, oil has been under pressure as the dollar index rose to a five-week high. U.S. crude inventories rose by 3 million barrels last week, compared with analyst expectations for a build of 2.1 million barrels, weekly data by the Energy Information Administration (EIA) showed.
- Gasoline stocks also rose by 2.5 million barrels against expectations for a 190,000-barrel drop. Soaring U.S. crude output has also kept a lid on oil prices this year, even though producers, led by the Organization of the Petroleum Exporting Countries and Russia, have reduced output.
- U.S. crude oil production rose to a record 10.057 million barrels per day (bpd) in November and retreated slightly in December to 9.949 million bpd, the EIA said yesterday.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
12/08/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
12/15/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
12/12/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
12/29/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets have bounced a bit during the trading session on Wednesday, reaching towards the \$16.50 level. If we can break above there, the market should then go to the \$16.60 level above, perhaps even as high as \$16.75 after that. Every time we pull back, I think that there are people out there willing to take advantage of value, especially if the US dollar starts to fall off. Ultimately, I think at this point it's likely that we go to the \$17.00 handle eventually, but it's going to be very noisy between here and there. Silver is a market that I like to buy for a longer-term trend, as short-term trading tends to be very difficult to do. I think that the market is very tight due to the rising US dollar as interest rates continue to climb, but at the same time I also recognize that the US dollar has been struggling longer-term, and of course there's a lot of uncertainty.

Pivot:	16.33		
Support	16.23	16.16	16.05
Resistance	16.44	16.51	16.60

Source: FX EMPIRE

Highlights

- May silver shed 2.7 cents, or 0.2%, to \$16.407 an ounce
- Buying interest in the metals has been limited as the U.S. dollar index hit a three-week high overnight
- Inflation worries could spur safe-haven gold and silver buying
- Expectations that there could be an additional rate hike helped push the 10-year yield closer to the 3% mark last week
- The silver-focused exchange-traded iShares Silver Trust rose less than 0.1%

Silver - Technical Indicators

RSI 14	19.80
SMA 20	17.27
SMA 50	16.72
SMA 100	16.85
SMA 200	16.87

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices made a last minute turn lower yesterday, contributing to the metal's first monthly loss since October, even as the U.S. dollar made a less-than-impressive move higher.
- Federal Reserve Chairman Jerome Powell, on his first day of congressional testimony Tuesday, "sounded a more hawkish tone on U.S. monetary policy," said Jim Wyckoff, senior analyst at Kitco.com.
- "Powell intimated there could be four small U.S. rate hikes this year, beginning in March. His comments pressured the metals markets, U.S. Treasuries and the stock market, while supporting the U.S. dollar index."
- Yesterday, April gold lost 70 cents, or less than 0.1%, to settle at \$1,317.90 an ounce—turning lower right before the session's end, after spending much of the day trading modestly higher. Prices, which marked their lowest finish since Feb. 9, lost roughly 1.8% for the month of February. May silver shed 2.7 cents, or 0.2%, to \$16.407 an ounce, with the contract losing more than 5% for the month.
- The silver-focused exchange-traded iShares Silver Trust rose less than 0.1% and the SPDR Gold Shares traded flat. Expectations of future interest-rate hikes increased during Powell's testimony Tuesday. He will appear before the Senate Banking panel Thursday.
- "A rate hike at the FOMC's next meeting in March is therefore pretty much a dead cert. Further rate hikes are likely to follow during the course of the year," said Carsten Fritsch, commodities analyst at Commerzbank, in a note.
- The ICE U.S. Dollar Index DXY, +0.08% meanwhile, was up 0.2% to 90.569, on back of a roughly 0.5% gain a day earlier. Precious metals, often pegged to dollars, tend to fall when the buck strengthens because a falling dollar can make buying those assets cheaper for investors using weaker monetary units.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/08/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/15/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/12/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
12/29/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Thursday, March 01, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Mar 01	18:30	USD Personal Income (JAN)	Medium		0.3%	0.4%
Thu Mar 01	18:30	USD Personal Spending (JAN)	Medium		0.2%	0.4%
Thu Mar 01	18:30	USD PCE Core (YoY) (JAN)	High		1.5%	1.5%
Thu Mar 01	18:30	USD Initial Jobless Claims (24 FEB)	Medium		226k	222k
Thu Mar 01	18:30	USD Continuing Claims (17 FEB)	Medium		1915k	1875k
Thu Mar 01	19:30	CAD RBC Canadian Manufacturing PMI (FEB)	High			55.9
Thu Mar 01	20:00	USD ISM Manufacturing (FEB)	High		58.7	59.1
Thu Mar 01	20:00	USD ISM Employment (FEB)	High			54.2
Thu Mar 01	20:00	USD ISM Prices Paid (FEB)	Medium		70.0	72.7

Source: Forex Factory, DailyFX

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