

## Gold

### Technical

Gold markets initially fell during the trading session yesterday but turned around to form a massive hammer. The hammer is just below the \$1350 level, which is a resistance barrier as you can see on the daily chart. If it can break above that level, the market will test the \$1360 level, which is the end of the overall resistance from what market players see. If it can break above the \$1360 level, then market may continue to go towards the \$1400 level. With the concerns around a potential trade war, that of course will continue to potentially move the gold market as people use it to protect their wealth if things get dicey between the United States and China. Ultimately, it would break out longer term, especially if the US dollar continues to get hammered. Otherwise, there is a massive "floor" around the \$1300 level. If we do get a sell signal, it will be for short-term trading more than anything else.

Pivot:	1,354		
Support	1,344	1,336	1,332
Resistance	1,361	1,366	1,376

Source: FX EMPIRE

### Highlights

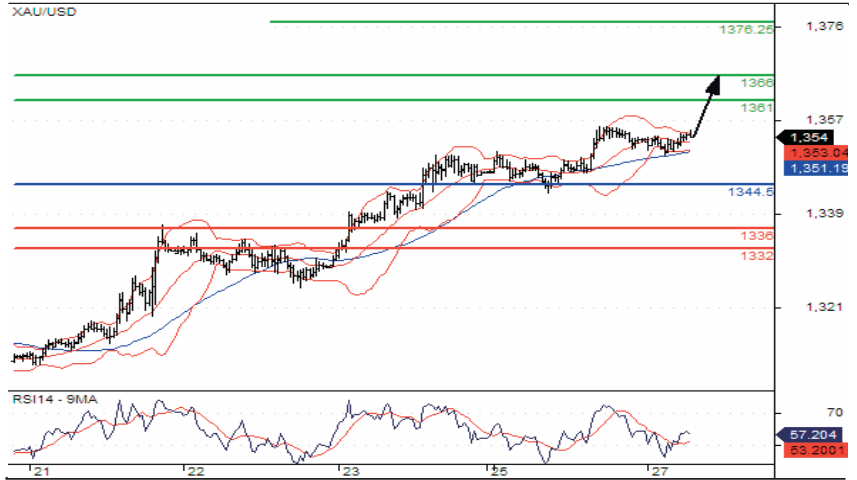
- Gold prices rose for a third straight session today as the dollar languished near a five-week low
- Realistically there are plentitudes of market turmoil in the making that continue to make gold the go-to place to hedge risk.
- Gold becomes less expensive when the greenback weakens
- Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.38 percent.
- Progress in negotiations would be bullish for the dollar and bearish for gold

### 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

- Spot gold was up 0.16 percent at \$1,355.19 per ounce at 0739 GMT, after touching \$1,356.66 earlier in the session, its highest since Feb. 16. U.S gold futures for April delivery were flat at \$1,355 per ounce.
- Gold prices continue to ratchet higher as the U.S dollar weakens despite equity markets rebounding on easing concerns about the likelihood of a trade war between China and USA.
- Analysts also see the yellow metal being supported by lastweek's statement from the U.S Federal Reserve which forecast atleast two more hikes for 2018 instead of the three that many had expected.
- China's pushback on proposed U.S. tariffs worried the market and hurt the dollar as traders' concerns about China's continued support of the U.S. Treasury market came into focus. Trade fears with China have impacted not only the dollar but equity markets, which tested their February lows last week.
- On Friday, China had fired back at the Trump administration's move to add tariffs on at least \$50 billion worth of goods. China's commerce ministry on Friday said it would impose tariffs on \$3 billion in U.S. goods, with officials accusing the U.S. of violating global trade rules.
- The U.S dollar fell 0.5% after logging a weekly loss of 0.9%. Gold and the dollar typically move inversely, as moves in the U.S. unit can influence the attractiveness of commodities to holders of other currencies.
- Gold had notched a weekly gain of almost 3% last week on the threat of a looming trade war between the U.S. and China. The metal had also climbed amid weakness for dollar in the wake of the Federal Reserve's hints at a less-aggressive monetary policy this year than some market participants had been factoring in.

### 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 crude oil markets were noisy during the trading session yesterday, as we broke above the highs momentarily. However, we started to roll over, showing signs of exhaustion again. If market break down below the \$65 level, the market probably breaks down. Brent markets tried to rally as well but have given back most of the gains as the Americans have shown up. If market break down below the \$60.50 level, it's likely that market will probably try to roll over, reaching down to the \$68 level. Beyond that, you're more than likely going to see the market break down to the \$65 level after that. The alternate scenario is that the top of the range yesterday gets broken, which would be a very bullish sign and would continue the overall uptrend. Because of that, The market may go looking towards the \$72.50 level. Market might be a little overextended in the short term, so a pullback would make sense.

Pivot:	65.62		
Support	65.10	64.60	64.10
Resistance	66.55	67.00	67.50

Source: FX EMPIRE

### Highlights

- Crude oil futures slipped yesterday as investors cashed in some profits from last week's rally.
- Last week, Brent gained 6.4 percent and WTI rose 5.7 percent, the strongest weekly gains.
- Although crude and product futures slipped yesterday, most share prices for energy companies, especially refiners, were up
- U.S President Donald Trump last week signed a memorandum that could impose tariffs on up to \$60 billion of imports from China
- Hedge funds and other money managers raised their net long U.S. crude futures.

### 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

- Brent crude futures LCOc1 slipped 33 cents, or 0.5 percent, to settle at \$70.12 a barrel. U.S. West Texas Intermediate (WTI) crude futures CLc1 also lost half a percent, or 33 cents, to end at \$65.55.
- Global stocks came off six-week lows on reports that the United States and China would begin trade talks, easing fears of a trade war. Analysts had been concerned that a trade war could hurt oil demand.
- U.S. crude production likely to be close to 10.5 million barrels per day by now and NGL (natural gas liquids) output also increasing strongly, there is a clear chance that year-on-year supply growth in the U.S. could at least temporarily hit 2 million bpd over the summer months. Oil traders also factored in the appointment of John Bolton as U.S. national security adviser, which has potential implications on the nuclear deal with Iran.
- In Asia, Shanghai crude oil futures made a strong debut in terms of volume as investors and commodity merchants bought into the world's newest financial oil trading instrument.
- Refiners in both China and the U.S. Gulf Coast process mostly medium sour grades that are relatively dense and rich in sulfur compared with the sweet light crudes on which Brent and WTI are based.
- The emergence of a new financial oil price benchmark in Asia has been long-awaited and may prove to have a significant influence over the oil markets in the years to come.
- Strength in oil has come on the back of strong supply and demand fundamentals as evidenced by recent U.S. data which shows total U.S. oil stocks more or less flat over the past four weeks. Meanwhile, a rise in the number of oil rigs drilling for oil also weighed on oil prices.

### 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 dipped a bit at the open on Monday but turned around and rallied towards the \$16.70 level. If market can break above there, the market should continue to go towards the \$17 level again. We have been grinding sideways in general, as the world worries about trade wars and potential headlines to move the markets. Silver of course will have its typical influence by the US dollar, as if it falls, Silver will typically rise. The \$17 level getting broken above would be a very bullish sign, perhaps sending the market towards the \$17.50 level. The alternate scenario would be selling pressure bring in the market back towards the \$16 level. Market players think that there are more than enough buyers under \$16 to keep the market afloat, so at this point I prefer to buy short-term pullbacks as value. At this point, this market is so resilient just below current levels.

Pivot:	16.72		
Support	16.51	16.41	16.35
Resistance	16.83	16.93	17.07

Source: FX EMPIRE

### Highlights

- Silver climbed 1 percent at \$16.68 an ounce yesterday, earlier hitting \$16.79, its highest since March 7
- Silver continued to be supported by last week's statement from the U.S Fed
- The Wall Street Journal reported that the U.S and China had started negotiations to improve U.S. access to Chinese markets
- The specter of a global trade stand-off appeared to be receding
- The U.S Dollar fell to a five-week low against a basket of major currencies

### 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 market is finally due for some excitement as the yellow metal is looking ready to break out of its narrow trading range and challenge January's high of \$1,366 an ounce, said TD Securities in a report.
- "After being locked in a fairly tight range between \$1,302-1,340/oz for many weeks, traders took the yellow metal higher into a position to challenge the high of \$1,366/oz present in late-January," analysts at TD Securities said in the Commodities Weekly report published yesterday.
- Federal Reserve's dovish rate hike last week and more trade drama between the U.S. and China have helped gold break out on the upside, wrote the bank's head of commodity strategy Bart Melek and commodity strategist Ryan McKay.
- "Gold broke through resistance into the upper bound of the range, after US sanction proposals prompted traders to question the sustainability of the current synchronized growth regime, while the Fed was not as hawkish as expected and the USD and yields eased lower," the report said.
- The main reason markets didn't interpret the Fed's announcement as hawkish was because the new central bank's chair Jerome Powell didn't take a more aggressive approach as was feared by some analysts.
- "The new Chair seemed to be pragmatic and less focused on theoretical assessments. The FOMC membership continued to message three hikes for this year and Mr. Powell messaged that he is unlikely to get overly restrictive unless inflation actually materializes," analysts noted.
- This kind of rhetoric from the Fed has been working in favor of higher silver prices. Given that geopolitical risks sent stocks sharply lower, while bonds and the Japanese yen received a bid as short positions were pared back, it is likely that investors may want to buy gold and silver as a hedge. Silver is also looking to benefit from all of this.

### 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

Tuesday, March 27, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Mar 27	11:00	EUR German Import Price Index (YoY) (FEB)	Low	-0.6%	-0.3%	0.7%
Tue Mar 27	14:00	EUR Euro-Zone Economic Confidence (MAR)	Low	112.6	113.3	114.2
Tue Mar 27	14:00	EUR Euro-Zone Services Confidence (MAR)	Low	16.3	16.5	17.6
Tue Mar 27	14:00	EUR Euro-Zone Consumer Confidence (MAR F)	Low	0.1	0.1	0.1
Tue Mar 27	18:00	USD S&P CoreLogic CS 20-City (MoM) SA (JAN)	Medium		0.6%	0.64%
Tue Mar 27	18:00	USD S&P/Case-Shiller Composite-20 (YoY) (JAN)	Medium		6.1%	6.3%
Tue Mar 27	18:00	USD S&P/Case-Shiller US Home Price Index (YoY) (JAN)	Medium			6.27%
Tue Mar 27	19:00	USD Consumer Confidence Index (MAR)	High		131.0	130.8
Tue Mar 27	19:00	USD Conf. Board Present Situation (MAR)	Medium			162.4

Source: Forex Factory, DailyFX

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