

Gold

Technical

Gold markets break out yesterday, reaching as high as \$1323 before rolling over again. However, there should be a bit of support near the \$1315 level, an area that has been resistance over the last several sessions. If we bounce back above the \$1320 level, the market is more than likely going to continue the upward momentum, as we have seen a lot of resiliency in this market. In the meantime, expect a lot of volatility, because quite frankly there is a lot of question about whether inflation is picking up or not. The Federal Reserve is likely to raise interest rates, and that of course works against gold as it strengthens the greenback. There are of course is the geopolitical concerns, especially considering the saber rattling between the United States and Iran lately, and of course Israeli missiles flying hasn't calmed the situation down either.

Pivot:	1,320		
Support	1,314	1,311	1,306
Resistance	1,325	1,332	1,339

Source: FX EMPIRE

Highlights

- Gold prices slipped as the dollar firmed slightly, with investors mostly brushing off a potential broadening of conflict
- Gold is traditionally seen as a safe place to park assets in times of uncertainty
- Geopolitical concerns are still a concern but investors aren't paying significant attention to these
- The dollar index edged slightly higher, but still held below a 4-1/2-month high hit on Wednesday
- Interest rates are unlikely to move dramatically in the coming years

Gold - Technical Indicators

RSI 14	41.13
SMA 20	1,325.5
SMA 50	1,298.3
SMA 100	1,288.0
SMA 200	1,309.5

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices were steady Friday, as the dollar held below its 2018 highs against a basket of currencies after softer-than-expected U.S inflation data. Gold prices climbed yesterday for the first time in four sessions to mark the highest finish in almost two weeks as U.S inflation came in lower than expected.
- Spot gold was steady at \$1,321.93 per ounce, after rising to the highest since end-April at \$1,322.76 in the previous session. U.S gold futures for June delivery were nearly unchanged at \$1,322.10 per ounce.
- The Dollar index, below a four-and-a-half month high of 93.416 hit earlier this week, after U.S consumer prices rose less than expected in April, prompting traders to pare bets that higher inflation would lead to faster U.S rate hikes.
- U.S interest rates futures rose yesterday even as a smaller-than-expected increase in the U.S consumer price index in April did not alter investors' expectations the Federal Reserve will mostly likely raise key borrowing costs in June.
- U.S President Donald Trump said yesterday he had high hopes of "doing something very meaningful" to curtail North Korea's nuclear ambitions at a summit in Singapore next month, after Pyongyang smoothed the way for talks by freeing three American prisoners.
- Elsewhere, the Bank of England held its interest rates steady yesterday, while European Central Bank Governing Council member Philip Lane said interest rates are unlikely to move dramatically in the coming years.
- Bank of Japan Governor Haruhiko Kuroda said the central bank could debate conditions for exiting from ultra-easy policy if prospects for achieving its inflation target improve, reminding markets his radical stimulus programme won't last forever.

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 initially fell yesterday, reaching as low as \$70.52 before turning around and rallied quite significantly. The initial selloff was a reaction to the CPI figures being a bit of a mess in America and suggesting that perhaps there would be less demand. However, in the big scheme of things that doesn't change much for the longer-term outlook for this market. Because of this, it would eventually go higher, reaching towards the \$72.50 level. It looks at the \$70 level as a bit of a "floor" right now. Brent markets also fell initially yesterday but found enough support at the \$76.50 level to bounce and show signs of life. Because of this, the market looks as if it is going to go looking towards the \$70 level above as a goal, and perhaps even higher than that. Economists still believe that the longer-term target is \$80, and it recognize the \$75 level underneath as the "floor" in the market.

Pivot:	71.27		
Support	70.80	70.55	70.25
Resistance	71.65	71.90	72.30

Source: FX EMPIRE

Highlights

- Oil prices moved lower as investors took profit after strong weekly gains as they turned their attention to data on U.S shale production
- Investors are expecting that oil prices to rise as Iran's exports fall
- The sanctions are expected to reduce global supply, come amid an oil market that has already been tightening due to strong demand
- U.S drillers added nine oil rigs, bringing the total count to 834, marked highest since March 2015
- After a retreat from 71.50 US crude is at that level again after bids gathered and pushed it higher

Crude - Technical Indicators

RSI 14	35.14
SMA 20	48.32
SMA 50	50.76
SMA 100	54.32
SMA 200	59.24

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices steadied near 3-1/2 year highs today as the prospect of new U.S sanctions on Iran tightened the outlook for Middle East supply at a time when global crude production is only just keeping pace with rising demand.
- The United States plans to reintroduce sanctions against Iran, which pumps about 4 percent of the world's oil, after abandoning a deal reached in late 2015 that limited Tehran's nuclear ambitions in exchange for the removal of U.S and European sanctions.
- Brent crude was unchanged at \$77.47 a barrel. Yesterday Brent hit \$78, its highest since November 2014. Light crude was up 20 cents at \$71.56, having touched a 3-1/2 year high of \$71.89 yesterday.
- It is not yet clear which concrete sanctions the U.S will impose. But it is expect the price of North Sea Brent to be closer to \$80 than \$70 a barrel. It is expect that around October Iranian exports will be down by 500,000 barrels per day and eventually fall by 1 million bpd.
- A sign of a further rise in U.S crude stockpiles and a "wind-down" period ahead of the start to sanctions on Iran also helped calm worries about the risks to the flow of crude in the Middle East.
- The global oil market is finely balanced, with top exporter Saudi Arabia and No.1 producer Russia having led efforts to curb oil supply to prop up prices. Oil volatility is very elevated right now as traders digest what the U.S withdrawing from the Iran nuclear deal means for market fundamentals.
- The cooling in prices may be coming from investors who had expected an immediate launch to sanctions, rather than a six months' warning, taking some money off the table.

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 broke above the vital \$16.60 level, continuing to see buying pressure that has been part of the market for several days. The market is ready to go to higher levels, and it anticipate that it will be looking at \$17 before it know it. Because of this, the region between \$16.50 and \$16.60 should offer a bit of the support barrier. Again, it would highly recommend using very little in the way of leverage, or at least using small CFD positions as the futures markets could be a bit difficult to trade. A breakdown below the \$16.06 level could send this market looking towards the \$16.30 level and would put the recent uptrend in jeopardy. Ultimately, Silver does breakout over the \$17 level and continues to go much higher. However, after the impulsive move yesterday, it can conclude that there is a strong amount of support underneath that will continue to push this market higher.

Pivot:	16.70		
Support	16.54	16.42	16.32
Resistance	16.75	16.87	17.02

Source: FX EMPIRE

Highlights

- Silver rose 0.1 percent to \$16.70 an ounce, having hit its highest in more than two weeks at \$16.75 in the previous session
- World stock markets were mixed overnight. U.S stock indexes are pointed toward slightly higher
- Dollar-denominated assets such as silver are sensitive to moves in the Dollar
- A gain in the Dollar makes silver more expensive for holders of foreign currency and thus decreases demand for the precious metal
- The Dollar index tracks the greenback against a basket of six major currencies last stood at 92.59

Silver - Technical Indicators

RSI 14	39.31
SMA 20	17.68
SMA 50	17.25
SMA 100	16.93
SMA 200	16.81

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices moved little today after hitting two-week highs yesterday, with the dollar's decline opening the door for silver's timid recovery attempts. The dollar reversed lower against a basket of major rivals after disappointing US inflation data for April.
- Silver inched down to \$16.68 an ounce from the opening of \$16.71, with an intraday high at \$16.72, and a low at \$16.66. Moreover, Asian stock indices traded near three-week highs today, capping silver's gains and heaving pressure on the safe haven.
- Silver prices are moderately higher yesterday. The metals are seeing support from a bit of safe-haven demand, a slightly lower U.S dollar index, a tame U.S inflation report, and some short covering in the futures markets.
- Gains in silver were mitigated by higher U.S stock indexes today. The U.S stock market bulls are regaining upside momentum, as equity investors don't see much risk aversion in the marketplace.
- The U.S economic highlight today saw the just-released consumer price index for April come in at up 0.2%, month-on-month and up 2.5%, year-on-year. The numbers were expected to come in up 0.3% from March, and up 2.5% at an annual rate.
- Silver prices moved higher on this data, on ideas the Federal Reserve may not have to be so aggressive on raising U.S interest rates, what with low inflationary expectations.
- The overall marketplace is not seeing a significant reaction from renewed Syria-Israeli military action, as both sides conducted air strikes against the other the past 24 hours. Right now, that's a mildly bullish element for safe-haven silver, but could become more significantly bullish if the situation escalates.

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

Friday, May 11, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri May 11	17:30	CAD Net Change in Employment (APR)	High		20.5k	32.3k
Fri May 11	17:30	CAD Unemployment Rate (APR)	High		5.8%	5.8%
Fri May 11	17:30	CAD Hourly Earnings Permanent Employees (YoY) (APR)	Medium		3.3%	3.1%
Fri May 11	17:30	CAD Full Time Employment Change (APR)	Medium			68.3
Fri May 11	17:30	USD Import Price Index ex Petroleum (MoM) (APR)	Medium		0.2%	0.1%
Fri May 11	17:30	USD Export Price Index (YoY) (APR)	Medium			3.4%
Fri May 11	18:15	EUR ECB President Draghi Speaks in Florence	High			
Fri May 11	19:00	USD U. of Mich. Sentiment (MAY P)	High		98.4	98.8
Fri May 11	22:00	USD Baker Hughes U.S. Rig Count (MAY 11)	Medium			1032

Source: Forex Factory, DailyFX

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