

Gold

Technical

Gold markets rallied yesterday, perhaps in reaction to a falling US dollar, but there are a lot of things out there pushing this market around. It might look as a market that is essentially trying to figure out where to go next, and that it's only a matter of time before we break out to the upside, but it needs to clear the \$1380 level. If it breaks above there, the market should continue to go much higher, perhaps reaching towards the \$1325 level. Otherwise, the uptrend line underneath will offer support, so if it breaks down below the uptrend line, that's an extraordinarily negative sign, perhaps down to the \$1275 level. This is a market that continues to show signs of difficulties. Economists think that the general attitude of this market will be higher over the longer-term but the short term is going to be very difficult to deal with and I think that the US dollar will of course have a lot to do with where it goes.

Pivot:	1,302		
Support	1,295	1,292	1,287
Resistance	1,304	1,307	1,311

Source: FX EMPIRE

Highlights

- Gold prices settled higher on weaker Dollar, edges down after Fed Beige book
- Some weaker than expected economic data in the U.S also helped boost investor demand for gold
- A weaker dollar makes assets such as gold cheaper for holders of other currencies
- Higher rates generally dent demand for non-interest-paying gold
- A slowing in economic growth in the world's largest economy benefits gold as it usually signals higher interest rates by the U.S Federal Reserve

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 edged higher today, as the dollar eased from 6-1/2-month highs hit earlier this week, with prices further supported by concerns over U.S and China trade.
- Spot gold was up 0.1 percent at \$1,302.50 per ounce. It was headed for a monthly decline of about 1 percent, its biggest since February. U.S gold futures for June delivery were 0.1 percent higher at \$1,303.20 per ounce.
- Gold is largely being influenced by how the dollar is moving and the dollar move overnight is a clear representation of why gold prices have risen this morning. The dollar index, which measures the greenback against a basket of six major currencies, fell 0.1 percent to 94.027.
- Prices are still very dependent on how risk aversion is playing up and the global news surrounding the U.S and Sino trade tensions as well as the possibility of a North Korea summit, that uncertainty is a big driver for gold prices.
- U.S economic growth slowed slightly more than initially thought in the first quarter as consumer spending rose at its weakest pace in nearly five years. U.S gross domestic product increased at a 2.2 percent annual rate, instead of the previously reported 2.3 percent pace.
- The risk of interest rate increases are still on the horizon but the data is giving a bit of relief on the inflation front and interest rates hike and that is a reason to take gold for short term trade.
- Gold initially traded lower yesterday, then firmed even as investors dipped a toe back in global stock markets and bid up traditionally riskier currencies, taking a lukewarm attitude toward the haven metal as flaring worries about Italy's instability for the European Union eased for now.

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 rallied significantly, gaining over 2% after walking along the uptrend line. The market should continue to go higher as the longer-term uptrend has held, and therefore short-term pullbacks will be buying opportunities that can take advantage of. Economists think that it will go looking towards the \$70 level next, and then perhaps break above there given enough time. Market players think that it's only a matter of time before it finds buyers on these dips, as it will bring in the value hunters now that it has seen a surge higher and a definite attitude adjustment. Brent markets exploded to the upside, gaining even more than the WTI markets as buyers came back in force. The \$75 level underneath has offered support, and it now looks as if the buyers are starting to take advantage of value pricing yet again. The market will probably go looking towards the \$80.

Pivot:	68.08		
Support	67.25	66.35	65.80
Resistance	68.65	69.45	70.60

Source: FX EMPIRE

Highlights

- Oil prices rallied with U.S crude notching the first gain in 6 sessions
- Oil markets are likely to remain on edge with the OPEC meeting just three weeks away
- U.S crude production has risen relentlessly by more than a quarter in the last two years, to 10.73 million bpd
- A production increase would be the first since a curb on global output
- U.S sanctions against Iran, which produces 4% of global oil supplies, will likely cause shortages later this year

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 eased slightly today following a rally in the previous session, as investors eyed a surprise increase in U.S crude oil inventories and looked to a possible rise in output when OPEC and other producers meet in June.
- Oil prices rebounded yesterday as Russia's central bank expressed caution on plans to boost oil supply, while some analysts see positive market fundamentals despite the possibility of rising supplies.
- Though crude oil has receded significantly in the charts, market fundamentals remain supportive as robust global demand and declining stockpiles bolster prices upwards.
- Brent crude was down 38 cents, or 0.5 percent, at \$77.12 per barrel, after settling the last session up 2.8 percent. U.S West Texas Intermediate crude was down 20 cents or 0.3 percent at \$68.01 a barrel. In the previous session, it settled up \$1.48 or 2.2 percent at \$68.21 per barrel.
- Global inventories have been broadly falling, but U.S crude stockpiles rose by 1 million barrels in the week to May 25 to 434.9 million barrels, according to data from industry group the American Petroleum Institute (API). That beat analyst expectations for a decrease of 525,000 barrels.
- OPEC and some non-OPEC members have committed to curb their output by about 1.8 million barrels per day until the end of 2018, and they will meet in Vienna on June 22 whether or not their commitment should remain unchanged.
- Oil prices came under heavy selling pressure last week, after touching 3 1/2-year highs, following media reports that major crude producers OPEC and Russia were discussing plans to lift production.

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 exploded to the upside yesterday, as the US dollar got hammered. However, the \$16.50 level above has offered resistance, and of course the uptrend line that had previously been supportive, so it expect to see sellers get involved. Economists think that if it can break down below the bottom of this candle, the market should continue to go lower, perhaps reaching down to the \$16.35 level, perhaps even lower than that. The market will continue to go lower in the short term, but if it break above the \$16.60 level, the market should continue to go higher, perhaps reaching towards the \$17 level. It look at short-term pullbacks as buying opportunities for the longer-term though, as the silver market has been very noisy and choppy to say the least. The Silver markets will certainly rally significantly, perhaps reaching as high as \$20 over the next several months.

Pivot:	16.50		
Support	16.38	16.29	16.24
Resistance	16.56	16.63	16.71

Source: FX EMPIRE

Highlights

- Silver prices were also held back by a surge in the U.S 10-year treasury yields
- July Comex silver was last up \$0.167 at \$16.54 an ounce
- There are still geopolitical concerns at mid-week. The U.S continues to ratchet up the pressure on China, regarding trade issues
- U.S is effecting with gradual loss of currency hegemony impacting inflation and interest rates
- This is the highest one-month total since December of 2007, and it represents a total "delivery" of nearly 36,000,000 ounces of "silver"

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 is hovering near one-week lows while the dollar index hit 6-1/5 month highs against a basket of major rivals, heaping pressure on dollar-denominated silver futures.
- Silver opened Asian trade lower yesterday as dollar strengthens and weighs on commodity prices. Silver last traded at \$16.36 an ounce, near the opening price of \$16.34, with a session-high at \$16.41, and a low at \$16.34.
- Asian stocks have tumbled today alongside other stock markets due to political uncertainty in Italy, but silver failed to capitalize on tensions and stage a real recovery as a safe haven.
- Silver prices were trading modestly higher in early-afternoon U.S dealings yesterday. A sharp drop in the U.S dollar index today was a bit supportive for the precious metals markets. However, the USDIX hit a 10.5-month high on Tuesday.
- Several fundamental factors are in play in the marketplace at mid-week, but few seem to be having much impact on the precious metals at this point. There are still geopolitical concerns at mid-week.
- The U.S continues to ratchet up the pressure on China, regarding trade issues. Worries about Italy's future in the European Union are also causing anxiety among European investors. More developments on these key matters are likely yet this week, which could move markets, including the safe-haven metals.
- The key data point for today is the national employment report for May, which came in at up 178,000. The ADP report is the precursor to the Labor Department's employment situation report on Friday morning. The report came in close to the forecast for up 187,000. The precious metals markets paid little attention to the just-released report. Silver is sensitive to moves higher in U.S rates, which lift the opportunity cost of holding silver as it pays no interest.

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, May 31, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs May 31	14:00	EUR Euro-Zone Consumer Price Index Estimate (YoY) (MAY)	High		1.6%	1.2%
Thurs May 31	17:30	CAD Quarterly Gross Domestic Product Annualized (1Q)	High		1.9%	1.7%
Thurs May 31	17:30	CAD Gross Domestic Product (YoY) (MAR)	High		3.0%	3.0%
Thurs May 31	17:30	USD PCE Core (YoY) (APR)	High		1.8%	1.9%
Thurs May 31	17:30	USD Personal Income (APR)	Medium		0.3%	0.3%
Thurs May 31	17:30	USD Real Personal Spending (APR)	Medium		0.2%	0.4%
Thurs May 31	17:30	USD Initial Jobless Claims (26 MAY)	Medium		230k	234k
Thurs May 31	17:30	USD Continuing Claims (19 MAY)	Medium		1733k	1741k
Thurs May 31	20:00	USD DOE U.S. Crude Oil Inventories (25 MAY)	Medium			5778k

Source: Forex Factory, DailyFX

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