

Gold

Technical

December Comex Gold is trading higher shortly before the cash market opening. There was no follow-through to the downside following Monday's steep sell-off. The market is also trading inside yesterday's range which suggests investor indecision and impending volatility. The lack of follow-through to the downside suggests to me that despite what the polls say, gold traders still think that the election is a 50/50 bet. Gold traded down to \$1278.60 on Monday which put it near the \$1276.30 low from November 1. The main trend is up according to the daily swing chart. However, the formation of the new two-day top at \$1309.30 indicates that momentum has shifted to the downside. A trade through \$1260.10 will turn the main trend to down. The main range is \$1243.20 to \$1309.30. Its retracement zone is \$1276.30 to \$1268.50. This zone is potential support today. The new short-term range is \$1309.30 to \$1278.60.

Pivot:	1,285		
Support	1,278	1,271	1,265
Resistance	1,289	1,295	1,300

Highlights

- Gold suffered largest one-day percentage loss yesterday in about five weeks
- Federal Bureau of Investigation said it won't bring charges against Hillary Clinton over a batch of newly discovered emails
- Gold for December delivery slid \$25.10, or 1.9%, to settle at \$1,279.40 an ounce
- Prices had gained 2.2% last week to log a fourth-straight weekly gain
- A victory for Clinton is generally viewed as more favorable for the stock market and more stability for investors

Gold - Technical Indicators

RSI 14	46.80
SMA 20	1,361.96
SMA 50	1,299.70
SMA 100	1,320.14
SMA 200	1,287.88

Gold Daily Graph



Fundamentals

- Gold stuck to a narrow range during today's European trading session as investors remained wary of the implications of the outcome of the U.S. presidential election.
- The metal dropped nearly 2 percent in its previous session after the Federal Bureau of Investigation (FBI) said no criminal charges were warranted against Democratic candidate Hillary Clinton for using a private email server.
- Election headlines are still dictating flows and the recent stability in the Clinton camp brought about via the FBI headlines has calmed the nerves of some participants for now.
- Spot gold was up 0.25 percent at \$1,284.53 an ounce. The metal touched a low of \$1277.70 yesterday. U.S. gold futures were up 0.45 percent at \$1,285.10 per ounce.
- The initial gold reaction to a Clinton win is likely to be negative as any shift into risk-on instruments could press gold lower, at least initially. Gold could drop to the \$1,250-1,220 per ounce area where upon we would expect physical demand to increase and risk selling to wane.
- Clinton has about a 90 percent chance of defeating Trump in the race for the White House, according to the final Reuters/Ipsos States of the Nation project. Markets also remained cautious of the implications of the U.S. election outcome on an anticipated interest rate hike by the Federal Reserve next month.
- Many people think that there will be a rate hike in December and most investors are very cautious and don't want to bet too much on the short term volatility of the gold price.
- The double uncertainty over the election and the possible U.S. interest rate hike have boosted demand for gold and silver in the United States. Gold is expected to retest a support at \$1,277 per ounce.

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

WTI oil prices consolidated but settled off their highs despite the risk on trade following the news over the weekend that the FBI had not changed their minds on emails that they had uncovered regarding Clinton's email server. OPEC over the weekend confirmed that all members were committed to the implementation of a production cap. Prices made a higher high and a higher low with resistance seen near the 43.90 level and then an upward sloping trend line that comes in near 43. Resistance on crude oil is seen near the 10-day moving average at 46.95. Momentum remains negative with the MACD (moving average convergence divergence) index printing in the red with a downward sloping trajectory which points to lower prices. The market has been very negative, and it looks like it's going to continue to be. With this, I believe that the market should then reach down to the \$43 level below.

Pivot:	45.15		
Support	44.28	43.54	42.95
Resistance	45.88	46.43	46.90

Highlights

- Crude oil prices posted solid gains yesterday after a six-day losing streak
- The Federal Bureau of Investigation (FBI) said it would not press charges against Clinton over her utilization of a private email server
- The U.S. dollar exchange rate also surged after the news, limiting the crude oil rally
- U.S. West Texas Intermediate crude oil increased 1.9% to settle at \$44.89 per barrel
- WTI also received strong support from a weekly decline of 442,077 barrels of oil at Cushing, Oklahoma

Crude - Technical Indicators

RSI 14	50.58
SMA 20	50.32
SMA 50	47.39
SMA 100	46.24
SMA 200	45.08

Crude Oil Daily Graph



Fundamentals

- Oil prices rose today, ahead of the U.S. presidential election, as investors unwound some of their recent bets against economically sensitive assets such as crude and equities.
- In a swell of investor risk appetite, U.S. stocks racked up their biggest one-day gain since March on Monday, which fed into an easing in the dollar that underpinned more risk-linked assets such as oil, copper and European equities today.
- The most recent polls have put Democrat Hillary Clinton ahead of Republican rival Donald Trump in Tuesday's election. Clinton is seen by investors as offering greater certainty and stability.
- U.S. West Texas Intermediate (WTI) crude futures were up 28 cents at \$45.17. Crude is still down around 3.5 percent week-on-week, but above the six-week lows struck on Friday.
- All that has fed into the uplift and now we're probably going to be at a standstill until the (election results) numbers begin to filter in. Now is just simply a period for waiting and inasmuch as OPEC came out with its annual oil market report, the focus of the market right now is people are positioned, waiting for the election to pass.
- The Organization of the Petroleum Exporting Countries forecast demand for its oil will rise in the next three years, suggesting its 2014 decision to let prices fall to curb costlier rival supplies is delivering higher market share.
- The group meets on Nov. 30 and has pledged to reach a deal on cutting output to try to erode a two-year-old global surplus. But a series of member states asking to be exempt from any deal, along with questions over the likelihood of non-OPEC rival Russia joining in, have created doubt over OPEC's ability to deliver a meaningful cut.

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

The silver market went back and forth during the course of the day after gapping lower on Monday, showing signs of support at the \$18 level below. This is an area where you would expect to see buyers step in, so any type of support could be a buying opportunity. On the other hand, if you break above the \$18.50 level above, then we could continue to go much higher. With the presidential election today though, it's very likely that the trading session will be fairly quiet when it comes to silver as we await the outcome. Today, the dollar is up on the Clinton news, putting pressure on precious metals. Silver continues to hold the 18 level around the recaptured January trend-line. We view this as important if silver is to continue its push higher out of the October triangle. The top of the triangle in the 17.70s is our final level of support should 18 not hold.

Pivot:	18.32		
Support	18.15	17.98	17.82
Resistance	18.47	18.64	18.74

Highlights

- A strong dollar recovery undermined silver prices yesterday
- Silver consolidated above the \$18.20 level late on Friday as the US employment data continued to have little sustained impact
- The latest COT data recorded a small increase in long non-commercial silver positions
- Clinton would face no further investigation into e-mails sent while Secretary of State
- Silver prices will be vulnerable to further selling if equity markets and the dollar can secure further momentum

Silver - Technical Indicators

RSI 14	43.08
SMA 20	17.58
SMA 50	18.56
SMA 100	19.18
SMA 200	17.82

Silver Daily Graph



Fundamentals

- Silver prices declined yesterday, while stocks surged after the FBI cleared Democratic nominee Hillary Clinton of any charges related to her use of a private email server.
- Clinton's path to the White House is clearer after the FBI said an investigation into her usage of a private email server as secretary of state won't lead to charges. Concerns that the investigation would derail the Democrat's presidency weighed on markets last week, leading to a spike in precious metals.
- December silver futures fell 16 cents, or 0.9%, to \$18.21 a troy ounce. The grey metal surged around 3.5% last week. Global stocks staged a large relief rally Monday, as investors grew confident in Clinton's chances of securing the presidential bid. Asian stocks were higher across the board, with Japan's Nikkei 225 climbing 1.6%.
- European markets were also trading sharply higher. The Stoxx Europe 600 Index climbed 1.3%, putting it on track for its best performance in three weeks. All of Europe's major individual bourses were up more than 1%.
- Meanwhile, US stock futures spiked ahead of the New York open, which pointed to a strong start to the day. Futures on blue-chip Dow Jones Industrial Average were up 227 points. S&P 500 futures also surged 27.50 points following a nine-day skid through Friday.
- The US dollar index, which normally trades inversely with precious metals, surged 0.5% against a basket of world currencies yesterday. The US election will be held today.
- Silver prices did move slightly lower on the day, although a significant feature was strong resilience in prices for much of the day given the substantial adverse developments in fundamentals. There was, however, a further slide to test support near \$18.00 as the dollar maintained a robust tone.

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

Tuesday, November 08, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Nov 08	All Day	USD US Presidential Elections (All Day)	High			
Tue Nov 08	05:30	AUD NAB Business Confidence (OCT)	Medium	4		6
Tue Nov 08	07:33	CNY Trade Balance (OCT)	Medium	\$49.06b	\$51.70b	\$41.99b
Tue Nov 08	11:45	CHF Unemployment Rate (OCT)	Medium	3.3%	3.2%	3.2%
Tue Nov 08	12:00	EUR German Trade Balance (euros) (SEP)	Medium	24.4b	22.4b	19.9b
Tue Nov 08	14:30	GBP Industrial Production (YoY) (SEP)	Medium	0.3%	0.8%	0.7%
Tue Nov 08	14:30	GBP Manufacturing Production (YoY) (SEP)	Medium	0.2%	-0.1%	0.5%
Tue Nov 08	18:30	CAD Building Permits (MoM) (SEP)	Medium		-4.3%	10.4%
Tue Nov 08	20:00	GBP NIESR Gross Domestic Product Estimate (OCT)	Medium			0.4%

Source: Forex Factory, DailyFX

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