

## Gold

### Technical

Gold prices moved lower on Tuesday slicing through support near the 10-day moving average which is now resistance at 1,283. Prices have declined following the FBI announcement on Sunday that there was no new evidence in the email server case against Clinton.

The decline in gold is a contraction in risk aversion which has allowed the dollar to rally. Additional resistance on the yellow metal is seen near last week's highs at 1,308. Support on gold prices is seen near the October 27 lows at 1,261. Momentum has turned neutral as the MACD index prints in the black with a flattening trajectory which reflects consolidation. Ultimately, this is a market that should continue to find buyers just below, and with that I don't feel that it's easy to get involved in this market to the downside. If we can see some type of upward momentum, I might be able to go long.

Pivot:	1,316		
Support	1,294	1,285	1,268
Resistance	1,330	1,337	1,343

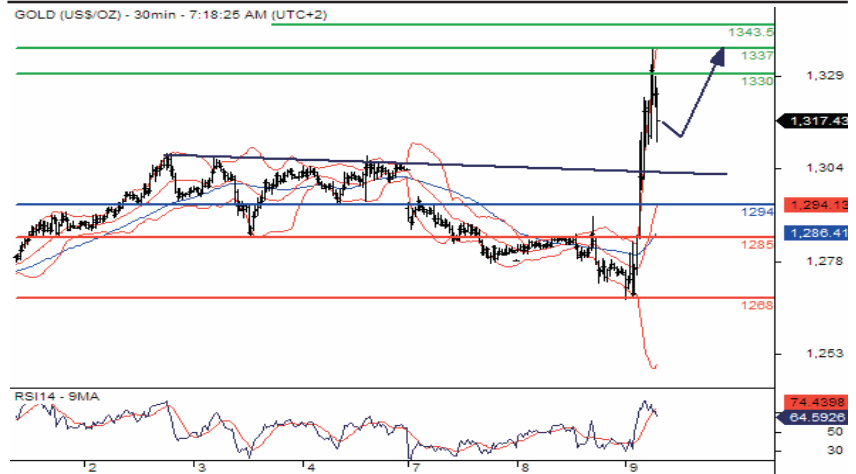
### Highlights

- Gold jumped nearly 5 percent today to its strongest in six weeks
- Federal Bureau of Investigation said it won't bring charges against Hillary Clinton over a batch of newly discovered emails
- Investors snapped up safe havens with Donald Trump winning the race for the White House over Democrat Hillary Clinton
- It marked gold's biggest single-day gain since June 24
- A Trump win, which many see could lead to economic and global uncertainty

### 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



Source: Meta Trader

### Fundamentals

- Gold prices jumped nearly 5 percent today in Asian trading session as U.S. Republican nominee Donald Trump prevailed over Democrat Hillary Clinton in the race for the White House, prompting a dive in stocks and the dollar as investors bolted for safety.
- Prices cut gains to dip below \$1,300 an ounce as wider markets stabilised after a conciliatory victory speech from Trump but remained 2 percent higher, leaving the metal on track for its biggest one-day rise since Britain's shock vote to leave the European Union in June.
- Spot gold vaulted to a six-week high of \$1,337.40 an ounce, up nearly 5 percent, and was at \$1,300.80. U.S. gold futures for December delivery were up \$26.90 an ounce at \$1,301.40, having peaked at \$1,338.30.
- Gold's retreat suggested upside for the precious metal was limited, but that gold could still benefit from a Trump victory as the longer-term implications emerged. I still think stocks are going to digest this over a 10-day period, and 10 days from now stocks will be lower than they are now.
- The U.S. yield curve moved to its widest in six months, with investors now less certain that the Federal Reserve will raise U.S. interest rates next month. Trump's fiscal policies are seen increasing the country's deficit, and so raising the cost of longer-term borrowing.
- Speculation has mounted that Fed chair Janet Yellen may resign before the end of her term in January 2018, after Trump accused the U.S. central bank of keeping rates low to favour incumbent President Barack Obama, and indicated that he might replace Yellen.
- The U.S. Dollar is already going down, based on the uncertainty of a Trump presidency. Gold is going to increase by 5-10 percent over the next few days. The devaluation of the dollar will be correspondingly taken up by the gold price.

### 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

The WTI Crude Oil market initially fell during the day on Tuesday, but found enough support to turn things around and form a hammer. The hammer of course is a bullish sign and it seems to be hugging the \$45 level. Because of this, I think we are getting ready to see a bit of a bounce but quite frankly it's only a matter of time before the sellers return. Yes, I am fully aware of the fact that the oil barons cutting production in OPEC countries could drive up the price a little bit, but at the end of the day we just don't have enough in the way of demand to support prices going higher for any real length of time. Because of this, and the fact that the demand out there seems to be weakening, and not gaining, I am bearish. Keep in mind though that there is the Current Oil Inventories number coming out later today which of course will have a massive effect on this market.

Pivot:	43.72		
Support	43.00	42.33	41.77
Resistance	44.57	45.40	45.88

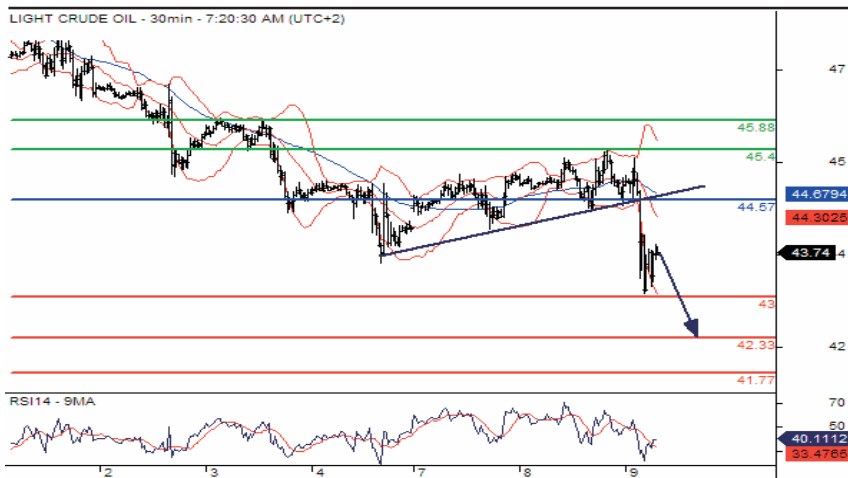
### Highlights

- Crude-oil prices were down slightly today, recouping much of the early losses
- The prospect of a surprise Donald Trump victory in the U.S. presidential race had initially spooked Asian investors
- The decline in oil prices coincided with falls across stock markets in Europe and Asia
- Earlier trading had seen Brent fall to a three-month low of \$44.40 a barrel and WTI to a seven-week low of \$43 a barrel
- The U.S. government's official supply report is due for release later today

### 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



Source: Meta Trader

### Fundamentals

- Oil fell below \$46 a barrel today in Asian trading session as Donald Trump's surprise victory in the U.S. presidential election sent markets into turmoil reminiscent of June's Brexit vote.
- The global benchmark, Brent crude, fell almost 4 percent to the lowest since August in Asian trading as results showed Trump gaining ground, although it later recovered some of its losses. U.S. crude fell 50 cents to \$44.48.
- The United States of America is experiencing its own version of Brexit. Investors are panicking as a Trump victory means economic and political turmoil ahead. Britain's referendum vote to leave the European Union, similarly a surprise result, also led to turmoil in financial markets.
- The U.S. dollar fell sharply against a basket of other leading currencies. DXY and European equities dropped, while gold, a traditional safe haven for investors in times of high economic risk, jumped.
- The result could compound the supply-side headwinds that oil producers face from a global glut with demand concerns, said Daniel Yergin, vice chairman of analysis firm IHS and author of The Prize, a well known history of the oil industry.
- The outcome of the U.S. election adds to the challenges for the oil exporters because it likely leads to weaker economic growth in an already fragile global economy. Oil prices are less than half of their level of mid-2014, pressured by excess supplies.
- In an attempt to boost prices, the Organization of the Petroleum Exporting Countries agreed in September to cut output, although investor doubts have grown that it will be able to implement the deal at its next meeting on Nov. 30. Also weighing on oil, a report by industry group the American Petroleum Institute showed U.S. crude inventories rising by 4.4 million barrels last week.

### 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

Silver markets initially tried to rally during the day on Tuesday, but did pull back a little bit. The \$18.50 level seems to be resistive, and quite frankly I feel that the market is going to move inversely of the US dollar. With this being the case, it's probably best to step on the sideline when it comes to precious metals today, especially considering that the US Presidential election is going on and will have a massive effect on precious metals. A break above \$19 would of course signify that we are going much higher, but a breakdown below the \$18 level will have to deal with quite a bit of support at \$17.50. Silver found support on approach to the \$18.00 per ounce level late in the European session with the successful test of support triggering some fresh buying support as well as a covering of short positions. Prices consolidated in a narrow range late in the US session with a supward bias.

Pivot:	18.72		
Support	18.40	18.15	17.98
Resistance	19.00	19.20	19.50

### Highlights

- Silver prices spiked higher as market demand for commodities strengthened
- The US data did not have a significant impact with a slightly weaker than expected reading for job openings
- Silver moved sharply higher during the US session with a spike to just above \$18.70
- There were expectations of a Clinton win in the US Presidential election, which would underpin risk appetite
- China's trade surplus widened in October, although exports continued to decline

### 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



Source: Meta Trader

### Fundamentals

- Silver prices traded slightly higher yesterday, as investors awaited the outcome of the US presidential election. December silver futures rose 4 cents, or 0.2%, to \$18.20 a troy ounce. The grey metal traded within a narrow range of \$18.19 and \$18.39.
- Precious metals tumbled at the start of the week after the FBI cleared Democratic nominee Hillary Clinton of any wrongdoing tied to a new email investigation. The announcement drove massive gains in global equities and sent the US dollar higher against a basket of other major currencies.
- The relief rally in European markets stalled on Tuesday as investors turned their attention to the US election results. Final polls on Monday revealed a slightly bigger lead for Clinton, raising optimism that the Democratic nominee would stave off a surging Donald Trump.
- The GOP candidate saw big gains in the week leading up to the election. US futures prices were also trading slightly lower after posting their biggest one-day advance since March.
- Global equities and the US dollar could continue higher Wednesday should Clinton win the presidential nomination. This likely means more volatility is in store for gold and silver, which are normally viewed as haven assets during periods of political instability.
- In economic data, China's trade surplus widened in October, although exports continued to decline sharply. In US dollar terms, Beijing's trade surplus rose to \$48.06 billion from \$41.99 billion.
- Meanwhile, Germany's trade surplus narrowed slightly in September to €21.3 billion from €21.6 billion, as exports declined slightly. There were expectations of a Clinton win in the US Presidential election, which would underpin risk appetite and support high-yield instruments.

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	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

Wednesday, November 09, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Nov 09	04:50	JPY Trade Balance - BOP Basis (Yen) (SEP)	Medium	¥642.4b	¥668.8b	¥243.2b
Wed Nov 09	04:50	JPY Bank Lending incl Trusts (YoY) (OCT)	Medium	2.4%	2.2%	2.2%
Wed Nov 09	06:30	CNY Consumer Price Index (YoY) (OCT)	High	2.1%	2.1%	1.9%
Wed Nov 09	10:00	JPY Eco Watchers Survey: Outlook (OCT)	Medium	49.0	47.8	48.5
Wed Nov 09	14:30	GBP Total Trade Balance (Pounds) (SEP)	Medium	-5221	-£3950	-£3768
Wed Nov 09	15:00	EUR European Commission Economic Forecasts	Medium			
Wed Nov 09	17:00	USD MBA Mortgage Applications (NOV 4)	Medium			-1.2%
Wed Nov 09	20:00	USD Wholesale Inventories (SEP F)	Medium		0.2%	0.2%
Wed Nov 09	20:30	USD DOE U.S. Crude Oil Inventories (NOV 4)	Medium			14420k

Source: Forex Factory, DailyFX

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