

Gold

Technical

Gold prices traded on the defensive on Friday as traders moved out of safe haven assets. The rebound in German bank shares took the luster off of the yellow metal, which was unable to recapture resistance near the 10-day moving average at 1,326. Support on gold prices is seen near the September lows at 1,306. Momentum on gold prices has turned negative as the MACD (moving average convergence divergence) index generated a sell signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses below the 9-day moving average of the spread. The index moved from positive to negative territory, confirming the sell signal. The index is printing in the red with a downward sloping trajectory which points to lower prices. The main trend is down according to the daily swing chart. The nearest downside target is the September 16 main bottom at \$1309.20.

Pivot:	1,315		
Support	1,312	1,310	1,307
Resistance	1,322	1,328	1,333

Highlights

- Deutsche Bank is throwing its energies into reaching a settlement before next month's presidential election
- For the quarter, gold is down marginally as the metal fell more than 3 percent in August
- U.S. consumer spending fell in August for the first time in seven months
- Hedge funds and money managers raised their net long position for the first time in three weeks in the week to Sept. 27
- A drop in gold prices prompted consumers to buy the precious metal

Gold - Technical Indicators

RSI 14	48.82
SMA 20	1,326.07
SMA 50	1,331.72
SMA 100	1,323.99
SMA 200	1,279.98

Gold Daily Graph



Fundamentals

- Gold prices fell in volatile trading on Friday as safe-haven demand dwindled after stocks in major markets largely recovered from a sell-off on easing concerns about Deutsche Bank. Spot gold was down 0.3 percent at \$1,316.32 per ounce.
- AFP reported that Deutsche Bank, Germany's largest lender, was close to reaching a \$5.4 billion settlement with U.S. authorities over charges that it had mis-sold mortgage-backed securities. That was far less than the \$14 billion previously demanded by the U.S. Department of Justice, assuaging some concerns about the bank's stability.
- A slump in Deutsche Bank's already battered stock had sent Europe into a fresh tailspin early on Friday and left world equity markets sliding toward their worst week in three months. Safe-haven demand had supported bullion until the market turned its attention to U.S. economic data.
- The Commerce Department said on Friday that U.S. consumer spending fell in August for the first time in seven months while inflation showed signs of accelerating, mixed signals that could keep the Fed cautious about raising interest rates.
- Dallas Federal Reserve Bank President Robert Kaplan said on Friday that while he has scoured the U.S. economic data, he saw no evidence of overheating, so the central bank could continue to be patient in raising interest rates.
- Gold is highly sensitive to rising U.S. interest rates, as they increase the opportunity cost of holding non-yielding bullion, while boosting the dollar and making commodities more expensive for non-U.S.-firms.
- Gold is up more nearly 1 percent for the month, partly because of the weaker dollar after the Fed chose not to raise interest rates at last week's policy-setting meeting.

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

Silver

Technical

Silver markets fell slightly during the course of the week, as we continue to see quite a bit of resistance at the \$20 level. If we can break above that level, I think a longer-term buy-and-hold type situation could present itself. However, this is a market that will more than likely be easier to trade off of short-term charts as it looks like we are consolidating, trying to build up enough momentum to break out above the region near the \$20 level. Pullbacks should continue to see plenty of support near the \$18 level below, as it is so reliable. As the price of silver continues to oscillate back-and-forth between intersecting lines of support and resistance, trading opportunities remain left to only the very short-term minded. If the expected path of further convergence before an upside breakout is to be paved, then the downside in silver from here should be limited.

Pivot:	19.12		
Support	18.96	18.83	18.65
Resistance	19.39	19.54	19.70

Highlights

- Silver prices dropped 2.44% in the past week, closing the week out to erase 60% of the gains in the week of September 19
- A recovery was attempted but gains were not sustained
- Headlines related to Deutsche Bank dominated risk trends across the financial markets
- In this current week, further developments related to Deutsche Bank, and Friday's NFP figures stand to trigger volatility
- NFP data is scheduled for release on Friday and carries potential to support Silver

Silver - Technical Indicators

RSI 14	49.36
SMA 20	19.26
SMA 50	19.36
SMA 100	19.10
SMA 200	17.53

Silver Daily Graph



Commodity News

Monday, October 03, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Oct 03	04:50	JPY Tankan Large Manufacturers Index (3Q)	Medium		7	6
Mon Oct 03	12:15	CHF Retail Sales (Real) (YoY) (AUG)	Medium			-2.2%
Mon Oct 03	12:30	CHF SVME-Purchasing Managers Index (SEP)	Medium			51
Mon Oct 03	12:50	EUR Markit France Manufacturing PMI (SEP)	Low		49.5	49.5
Mon Oct 03	12:55	EUR Markit/BME Germany Manufacturing PMI (SEP)	Low		54.3	54.3
Mon Oct 03	13:30	GBP Markit UK PMI Manufacturing s.a. (SEP)	Medium		52.1	53.3
Mon Oct 03	19:00	USD Construction Spending (MoM) (AUG)	Medium		0.3%	0.0%
Mon Oct 03	19:00	USD ISM Manufacturing (SEP)	High		50.3	49.4
Mon Oct 03	19:00	USD ISM Prices Paid (SEP)	Medium		53.5	53

Source: Forex Factory, DailyFX

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