

## Gold

### Technical

Gold prices moved higher in Friday's trading session following the news that the FBI is probing newly found Clinton emails. Prices initially moved below support near the 10-day moving average following the stronger than expected U.S. GDP data released on Friday. Resistance is now seen near the September lows near 1,310. Momentum has turned positive as the MACD (moving average convergence divergence) index generated a buy signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses above the 9-day moving average of the spread. The index moved from negative to positive territory confirming the buy signal. The index is printing in the black with an upward sloping trajectory which points to higher prices. The RSI (relative strength index) moved higher with price action reflecting accelerating positive momentum.

Pivot:	1,274		
Support	1,269	1,265	1,260
Resistance	1,284	1,290	1,298

### Highlights

- Gold futures are virtually unchanged at \$1,276.30 an ounce
- The safe-haven asset has fallen about 3 percent so far this month
- Gold rose more than 1 percent after the FBI reopened an investigation of U.S. presidential candidate Hillary Clinton
- The dollar index, which measures the greenback against a basket of currencies, was up 0.08 percent at 98.427
- The U.S. Fed will meet this week, starting a final countdown on the second most anticipated event

### 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 held steady today in Asian session amid a firm dollar, with markets anxiously awaiting the upcoming Federal Reserve meeting for insight on the timing of a potential U.S. interest rate hike.
- Several of the world's top central banks' meetings are due this week, including the Federal Open Market Committee meeting, which will be closely monitored for directions on a much anticipated interest rate hike.
- Basically investors are staying on the sidelines before all these key announcements and gold prices should naturally turn higher. Gold still remains to be a safe haven asset owing to a sense of uncertainty and risk aversion in the markets right now.
- Spot gold was unchanged at \$1,276.16 an ounce, while U.S. gold futures were little changed at \$1,277.10. The dollar index, which measures the greenback against a basket of major currencies, held steady. The bullion is, however, set to end the month lower by 3 percent.
- Gold rose more than 1 percent at one point on Friday after the FBI revealed it reopened an investigation of U.S. Democratic presidential candidate Hillary Clinton's use of a private email system, sparking fresh tumult in markets, just days before the Nov. 8 presidential vote.
- Federal investigators have secured a warrant to examine newly discovered emails related to Hillary Clinton's private server, a source familiar with the matter said on Sunday.
- Investment demand for gold should pick up towards the U.S. presidential elections given the higher suspense ongoing in the issue. Speculators raised their net long positions in COMEX gold for the first time in four weeks in the week to Oct. 25, and cut it slightly in silver, U.S. Commodity Futures Trading Commission data showed on Friday.

### 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 crude oil prices moved lower into the close as news that the FBI was reopening its investigation and probing Clinton's emails. Prices slumped to support near the 50-day moving average at 48.29. Resistance is seen near the \$50 level and then the October highs at \$52 per barrel. Momentum has turned negative as the MACD (moving average convergence divergence) index recently 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 RSI (relative strength index) broke through support levels, reflecting accelerating negative momentum. Certainly there has been quite a bit of bullish pressure as of late, but in the last couple of weeks it seems like its starting to run out of momentum.

Pivot:	48.72		
Support	47.82	47.23	46.80
Resistance	49.40	50.05	51.00

### Highlights

- Oil declined as OPEC's internal disagreements undermined efforts among major suppliers to reach an agreement in Vienna
- Crude fell as much as 1.1 percent after sliding 2.1 percent at the end of last week
- The OPEC ended a meeting on Friday without reaching a deal on country quotas
- Oil has fluctuated near \$50 a barrel amid uncertainty over whether OPEC can implement the first supply cuts in eight years
- WTI for December delivery dropped as much as 53 cents to \$48.17

### 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 prices extended declines today in Asian session after non-OPEC producers made no specific commitment to join the OPEC in limiting oil output levels to prop up prices, suggesting they wanted the oil producing group to solve its differences first.
- Officials and experts from OPEC countries and non-OPEC nations including Azerbaijan, Brazil, Kazakhstan, Mexico, Oman and Russia met for consultations in Vienna on Saturday and only agreed to meet again in November before a scheduled regular OPEC meeting on Nov. 30, they said in a statement.
- NYMEX crude for December delivery was trading down 29 cents, or 0.6 percent, at \$48.41 a barrel, after closing down \$1.02 on Friday. There was a lot of talk and nobody managed to agree on anything. That has been pushing the market down.
- The potential tightening of the U.S. presidential race after news of a renewed FBI probe of Democratic candidate Hilary Clinton was also affecting sentiment and putting investors off riskier assets.
- OPEC and non-OPEC said in a joint statement that Saturday's meeting was a "positive development" towards reaching a global output limiting deal on November 30.
- On Friday, OPEC members also failed to agree on how to put in place a global deal to limit production, following objections from Iran which has been reluctant to even freeze its output, sources said.
- Russia expects to increase its oil output by 0.7 percent next year and a further 0.9 percent in 2018, the draft federal budget showed. Crude production is expected to be a record-high 548 million tonnes in 2017 and 553 million tonnes in both 2018 and 2019, up from an estimated 544 million tonnes this year, the document showed.

### 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 markets had a slightly positive session on Friday, as we continue to grind to the upside over the longer term. Yes, we have recently had a massive selloff, but at this point in time it looks like the markets are stabilizing, and stable markets typically bring in buyers as they feel more and more comfortable being part of the market. With this, it's very likely that we will go higher and therefore we feel that buying is the only thing that we can do. Pullbacks from here should continue to show plenty of support all the way down to the \$17 level at the very least. Ultimately, this is a market that I feel reaches towards the \$18.50 level, and that pullbacks at this point in time will continue to support this market but it would very well be choppy going forward. There's a lot of noise in the market right now and is going to more than likely have to trade short-term charts.

Pivot:	17.83		
Support	17.73	17.67	17.50
Resistance	18.03	18.12	18.23

### Highlights

- There is the potential for very choppy trading during the week with key event risks, especially surrounding the US outlook
- Silver will tend to be more resilient if the US dollar corrects weaker
- The main feature of the week was resilience in silver prices in the face of adverse fundamental developments
- The advance in silver prices came despite a generally strong dollar
- Fed policy decision and statement will be important for sentiment surrounding precious metals

### 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

- Although there was a spike lower following the US GDP data, there was a familiar trading pattern with silver prices recovering ground and securing a small weekly gain despite underlying dollar gains.
- Silver edged higher during the late US session on Friday and edged to test the \$17.70 per ounce area early in the US session. Prices came under some pressure in early Europe as the dollar maintained a robust tone with a retreat to the \$17.55 area into the US open. There was still solid buying support on dips.
- The third-quarter US GDP data was stronger than expected with annualised growth of 2.9% from 1.4% in the second quarter and an expected figure of 2.5%. There was a slowdown in consumer spending, but there was a small positive contribution from investment and net exports provided solid support, while inventories also made a positive contribution.
- The dollar moved stronger immediately after the data with USD/JPY testing fresh 3-month highs around 105.50 and silver prices also moved sharply lower in an immediate reaction with a brief test of support in the \$17.50 level. The latest COT positioning data will be watched closely over the weekend given the recent sustained decline in long non-commercial positions.
- The US currency was quickly subjected to profit taking with markets having priced in firm data. In this environment, there was also a quick recovery in silver prices with a move to register daily gains and a peak of \$17.80. Choppy trading continued under the influence of position adjustment with a retreat to \$17.60 late in the European session.
- The overall performance again showed underlying resilience with silver able to secure fractional gains for the week as a whole, despite a strengthening dollar and rise in global bond yields. The precious metals sector overall maintained a firm 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

Monday, October 31, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Oct 31	04:50	JPY Industrial Production (YoY) (SEP)	Medium	0.9%	1.9%	4.5%
Mon Oct 31	10:00	JPY Housing Starts (YoY) (SEP)	Medium	10.0%	5.2%	2.5%
Mon Oct 31	12:00	EUR German Retail Sales (YoY) (SEP)	Medium	0.4%	1.5%	3.7%
Mon Oct 31	14:30	GBP Net Consumer Credit (SEP)	Medium		1.5b	1.6b
Mon Oct 31	14:30	GBP Mortgage Approvals (SEP)	Medium		61.5k	60.1k
Mon Oct 31	15:00	EUR Euro-Zone Consumer Price Index - Core (YoY) (OCT)	High		0.8%	0.8%
Mon Oct 31	15:00	EUR Euro-Zone Gross Domestic Product s.a. (YoY) (3Q)	High		1.6%	1.6%
Mon Oct 31	17:30	USD Personal Income (SEP)	Medium		0.4%	0.2%
Mon Oct 31	17:30	USD Personal Spending (SEP)	Medium		0.4%	0.0%

Source: Forex Factory, DailyFX

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