

Gold

Technical

Gold markets continue to be very noisy overall, as it has various fears around the world driving precious metals in both directions. Lately though, it has seen a nice grind higher after an explosive move, and with the EMA turning higher, longer-term investors are getting involved. It look at the \$1225 level as support, and the idea of buying dips as they occur. If it can break above the \$1250 level, then it's likely that it will go looking towards \$1275, followed by the \$1300 level next. This is a market that has been trying to form a base for some time, and it now looks as if the longer-term money is starting to flow back into the gold market. In fact, a bit of a "rounded bottom" pattern if it get just a little bit higher. It would expect the 50 EMA to offer support, just as it would expect the \$1200 level offer support. With the type of noise that's out there, it would start out with a low leverage though.

Pivot:	1,233		
Support	1,228	1,225	1,223
Resistance	1,240	1,236	1,233

Source: FX EMPIRE

Highlights

- Gold prices have gained about 6 percent after falling in mid-August to their lowest since January 2017 at \$1,159.96 an ounce
- It is running into some resistance around \$1,240. The next significant level is the \$1,250 psychological barrier
- Gold markets have entered a new trading zone of \$1,228-\$1,238
- A target range of \$1,252-\$1,263 per ounce has been aborted for spot gold
- The dollar traded in tight ranges against most of its peers

Gold - Technical Indicators

RSI 14	45.44
SMA 20	1,267.2
SMA 50	1,252.1
SMA 100	1,256.3
SMA 200	1,277.8

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices held steady today but remained on track to rise for the fourth straight week, the longest string of weekly gains since January, amid increasing worries over the outlook for U.S corporate earnings and global economic slowdown.
- Political and economic uncertainties including tensions between Saudi Arabia and the West, uncertainty surrounding Italy's budget, and Brexit among others are likely to push gold prices higher in the medium term.
- However, the yellow metal has declined about 10 percent from its April peak after investors preferred the dollar as the U.S-China trade war unfolded against a background of higher U.S interest rates.
- Spot gold was down 0.2 percent at \$1,231.41 an ounce. On Tuesday, it hit a more than three-month high of \$1,239.68 as a global stock market sell-off spurred interest in the metal, which is considered a safer store of value during times of political and financial uncertainty.
- U.S gold futures were up 0.3 percent at \$1,234.3 an ounce. Gold is pausing for a breath and is probably consolidating for the next possible move higher. Some speculative investors would be in a position to take profit.
- Gold prices have gained more than 3 percent so far this month, on track to break a six month losing streak, the length of which was last seen in the August 1996-January 1997 period.
- Global stocks are on course for their worst month since the financial crisis a decade ago as investors become increasingly nervous about lofty stock prices, faster rate hikes in the United States and an ongoing Sino-U.S trade war.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market rallied again yesterday, slamming into the \$67.50 level, but has pulled back a little bit from there. The market is starting to see the 50 day EMA rolover, and it is now at the 78.6% Fibonacci retracement level, something that a lot of faith into normally. However, there is one glimmer of hope here in the sense that the Wednesday candle is a bit of an inverted hammer. If it break above that inverted hammer, that's actually a really bullish sign. Alternately, if it break down below the lows of the nasty Tuesday candle, this market will reach towards the \$63.50 level. Brent markets rallied a bit during the trading session yesterday, but still remained within the doji that formed on Wednesday. If it break down below the psychologically significant \$75 level, the downside will accelerate, perhaps reaching towards \$71 by the time it's all said and done.

Pivot:	67.35		
Support	66.10	65.75	65.00
Resistance	68.30	67.70	67.35

Source: FX EMPIRE

Highlights

- Oil futures ended higher yesterday as a rebound in equity markets signaled a momentary return to a risk-on sentiment
- US crude futures due in December rose 0.64% to \$67.25 a barrel
- Brent December futures advanced 0.34% to \$76.43 a barrel
- Gasoline stocks fell 4.8 million barrels still 6% above averages, while distillate stocks, including heating fuel, fell 2.3 million barrels
- Oil futures rose in American trade as US crude rebounded from August 21 lows

Crude - Technical Indicators

RSI 14	55.83
SMA 20	48.93
SMA 50	46.53
SMA 100	47.26
SMA 200	51.85

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell today and were heading for a third weekly loss, as Saudi Arabia warned of oversupply amid a slump in global equities and trade that cloud the fuel outlook for demand.
- Brent crude futures were down 47 cents, or 0.6 percent, at \$76.42 a barrel. The global benchmark is on course for a weekly loss of over 4 percent. U.S crude was down 60 cents, or 0.9 percent, at \$66.73. The U.S benchmark is set for a 3.5 percent loss this week.
- The near \$10 per barrel drop in Brent crude seen over October is a spillover from the global sell-off in equities. Stock price plunges have roiled oil markets this week as Wall Street had its biggest daily decline since 2011.
- Financial markets have been hit hard by a range of worries, including the U.S-China trade war, a rout in emerging market currencies, rising borrowing costs and bond yields, and economic concerns in Italy.
- With oil setting up for the worst monthly price drop in over two years, concerns remain on trade tensions over global demand and traders are going to continue focusing on Iran and how much oil will exit the marketplace, when U.S sanctions on Tehran begin early next month, he said in a daily note.
- Falling stock markets are continuing to generate strong headwind. This expresses a growing concern about economic development, which would also have an impact on oil demand.
- Meanwhile, investors have found reassurance in pledges by Saudi Arabia and others to boost output to offset the barrels to be lost from Iran as renewed U.S sanctions take effect on Nov. 4.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets have calm down a bit after rallying significantly from the \$14 level, and it now looks as if it probably going to see a bit of sideways action in the short term as the EMA is flattening. If it break above the \$15 level, then the market could go to the \$15.50 level, but it's going to take a bit of US dollar weakness, something that it don't see a lot of these days, especially considering that the EUR/USD pair continues to make fresh, new lows. Ultimately, this is a market that is consolidating between the \$14 level on the bottom and the \$15 level on the top. If that's the case, then \$14.50 ends up being "fair value." However, if it break down below that level then probably go looking towards the \$14 level again which should be massive support. If it break down below the \$14 level, there's an even more supportive level at the \$12 from a longer-term historical perspective.

Pivot:	14.65		
Support	14.57	14.52	14.49
Resistance	14.77	14.69	14.65

Source: FX EMPIRE

Highlights

- Silver prices marked lower 0.3 percent to \$14.56 per ounce
- A strong U.S dollar on the foreign exchange market was a bearish outside market element working against the precious metals
- GDP is seen up 3.4% in the third quarter, on an annual basis
- The current silver contract on the "NYMEX" closed at \$14.56 an ounce, down 5 cents
- December Comex silver was last down \$0.041 at \$14.635 an ounce

Silver - Technical Indicators

RSI 14	19.80
SMA 20	17.27
SMA 50	16.72
SMA 100	16.85
SMA 200	16.87

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver futures tilted higher in Asian trade as the dollar index barely lost ground, ahead of US GDP and consumer sentiment data later today. A higher U.S dollar index that is at a nine-week high and near the high for the year is also working against the precious metals bulls on this day.
- Silver futures due in December rose 0.10% to \$14.64 an ounce, while the dollar index barely inched down to 96.64 against a basket of major rivals. There are still near-term technical clues the U.S stock indexes have put in near-term market tops, if not major tops. If that's indeed the case, it's a bullish element for hard assets like the precious metals.
- Markets await US GDP data, expected to show a 3.3% growth rate in the third quarter, down from 4.2% in the second, while GDP prices are estimated with a 2.1% increase, also down from 3%.
- Personal spending is estimated to have risen 3.2%, compared to 3.8% in the previous reading, the final reading for the UoM Consumer Sentiment survey is expected at 98.9, almost the same as September's 99.0.
- Silver prices are slightly higher yesterday. Some mild safe-haven buying is being offset by solid gains in U.S stock indexes at midday. However, nobody knows what late-session twists and turns the stock market will make.
- Investor can point to no one element that is spooking the world market place at present. There are geopolitical issues that include the U.S-China trade war, U.S-Saudi Arabia tensions over the murdered Saudi journalist, and Italy's defiance over forming its budget to meet European Union rules. However, there is a new generation of worldwide investors that have ostensibly never experienced inflation. So a 3% inflation rate could be spooking them.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2018	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Friday, October 26, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Oct 26	17:30	USD Gross Domestic Product Annualized (QoQ) (3Q A)	High		3.3%	4.2%
Fri Oct 26	17:30	USD Personal Consumption (3Q A)	Medium		3.2%	3.8%
Fri Oct 26	17:30	USD Gross Domestic Product Price Index (3Q A)	Medium		2.1%	3.0%
Fri Oct 26	17:30	USD Core PCE (QoQ) (3Q A)	Medium		1.6%	2.1%
Fri Oct 26	19:00	EUR ECB President Draghi Speaks in Brussels	High			
Fri Oct 26	19:00	USD U. of Mich. Sentiment (OCT F)	Medium		99	99
Fri Oct 26	19:00	USD U. of Mich. Expectations (OCT F)	Low			89.1
Fri Oct 26	19:00	USD U. of Mich. 1 Yr Inflation (OCT F)	Low			2.8%
Fri Oct 26	22:00	USD Baker Hughes U.S. Rig Count (OCT 26)	Medium			1067

Source: Forex Factory, DailyFX

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