

Gold

Technical

Gold markets rallied significantly during the trading session yesterday, as precious metals in general got a bit of a boost. Pay attention to the US dollar, because it get significant weakness in the greenback, that should push the Gold markets higher. If it break above that level, the market probably goes to the \$1220 level, even the \$1225 level. Alternately, if it break down from here the \$1205 level would offer significant support, and most certainly the \$1200 level will be. Pay attention to the EUR/USD pair, it gives a general idea of what is happening with the greenback, which of course has a major influence on gold. Economists think this is been more of a risk safety type trade, which has seen in the past more than once. However, if it can break out above the \$1215 level, it could signal that fresh monies coming into the marketplace, and it could make a relatively impulsive move just waiting to happen.

Pivot:	1,214		
Support	1,214	1,205	1,200
Resistance	1,240	1,235	1,228

Source: FX EMPIRE

Highlights

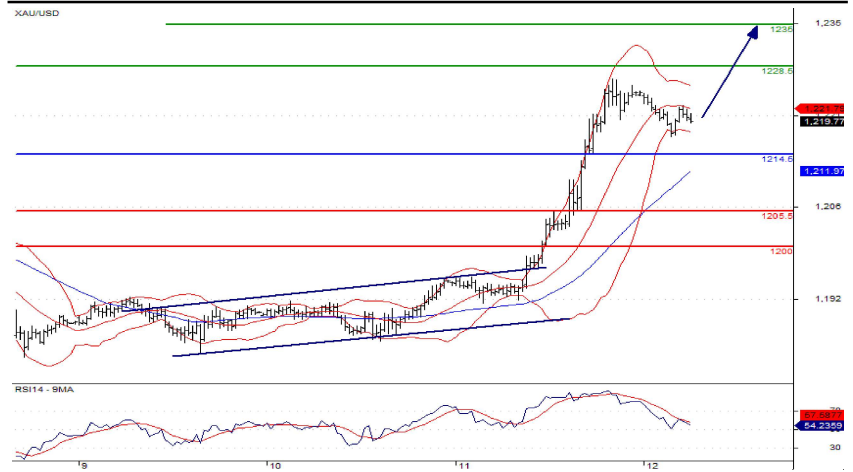
- Gold prices yesterday jumped over 2 percent to more than a two-month high
- Bullion also broke above a narrow trading range it has been stuck in for the past 1-1/2 months
- Gold has broken through the strong resistance level at \$1,210, a lot of new long positions are coming in
- A lot of investors are running to gold as a safe-haven trade, diversifying into the asset and selling the dollar
- Spot gold may extend its gains to \$1,237 per ounce

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 edged lower today, but held near a more than 10-week high hit in the previous session when the metal breached a key resistance level, stoking optimism about an uptick in prices.
- Spot gold was down 0.3 percent at \$1,219.67 an ounce, after the bullion jumped about 2.5 percent yesterday, its sharpest gain since June 2016, as a rout in equities sent investors rushing to safe havens. U.S gold futures were down 0.4 percent at \$1,223.20 an ounce.
- With prices breaking the resistant \$1,200 level and also crossing \$1,225, it could be a signal that gold market is on the upside. Especially, given that during November and December we also see increased physical buying.
- Further declines in stocks will put pressure on gold speculators to square up initially, and since gold speculative (managed money) shorts outweigh longs, that implies short-covering.
- Whether gold is really the beneficiary of a flight to safety is harder to say than it looks, because it is more likely that large shorts are de-risking their positions and substantial exposure to a price rally, which is not the same as fresh funds flowing in.
- Gold has fallen more than 10 percent from a peak in April, with investors increasingly switching to the safety of the greenback as the U.S-China trade war unfolds against a backdrop of rising U.S interest rates.
- Prices have recovered from a 1-1/2-year low of \$1,059.96 hit in mid-August, propped up by limited safe-haven buying at lower levels linked to concerns over economic growth and inflationary pressure from soaring oil prices.

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 fell during the trading session yesterday, reaching below the \$72 level. This is an area that has been supportive in the past, but quite frankly this looks like a market that is trying to break down even further. It anticipate that the \$70 level underneath should be massive support, so a break down below the \$70 level will be catastrophic for the midterm. Brent markets also fell during the day, reaching towards the \$81 level. That's an area that looks to be offering support, but quite frankly it looks as if the oil market is trying to break down. If it does, the \$80 level would be a reasonable target for short-term investors, and of course longer-term investors will be paying attention to the crucial \$80 level as it has a lot of psychology attached to it. In general, the oil markets are finally starting to struggle due to fears of a global slowdown.

Pivot:	71.85		
Support	70.50	70.00	69.35
Resistance	73.30	72.60	71.85

Source: FX EMPIRE

Highlights

- U.S crude oil stockpiles rose last week for the third consecutive week
- Net U.S crude imports fell last week by 1.4 million barrels per day to 4.8 million bpd, the lowest rate since at least 2001
- Refinery utilization rates fell by 1.6 percentage points to 88.8 percent of nationwide capacity
- Gasoline stocks rose by 1 million barrels, compared with expectations in a Reuters poll for a fall of 42,000 barrels
- OPEC and Russian crude oil production climbed in September

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 slumped to more than two-week lows yesterday as global stock markets fell, with investor sentiment made more bearish by a bigger-than-expected build in U.S. crude inventories.
- Brent crude futures fell \$2.83 to settle at \$80.26 a barrel, a 3.41 percent loss, after hitting a low of \$79.80, its weakest since Sept. 24. U.S West Texas Intermediate crude futures fell \$2.2 to settle at \$70.97 a barrel, a 3.01 percent loss. WTI hit its lowest since Sept. 21.
- U.S crude inventories rose 6 million barrels last week, the Energy Information Administration said, more than double analysts' expectations of a 2.6 million-barrels increase.
- The significant increase in crude oil inventories is a reflection of refineries going down for maintenance. Refinery crude runs fell by 352,000 barrels per day as utilization rates dropped 1.6 percentage points, the EIA data showed.
- The demand side of the oil equation is always much more difficult to discern than the more transparent supply side and as equities slide amidst rate increases, the oil market could begin to discount a worst case scenario with regard to oil demand expectations.
- The Organization of the Petroleum Exporting Countries cut its forecast of global demand growth for oil next year for a third straight month, citing headwinds facing the broader economy from trade disputes and volatile emerging markets.
- Crude inventories rose 6 million barrels in the week to Oct. 5, as compared to an increase of 2.6 million barrels. The build was in part due to a 2.4 million-barrel increase in stocks.

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 were extraordinarily bullish during the trading session yesterday, as it reached towards the \$14.50 level. That's an area that of course will offer a lot of support and resistance, as it had sold off from that area rather drastically, but it had a little bit of a pullback only to turn around and slam back into it. If it can clear the impulsive candle from earlier in the day, the silver market will continue to climb towards the \$14.70 level. That's an area that's even more resistive so it will have to wait to see what happens next. Otherwise, if it turn around from here it suspect that the market will probably go looking towards the \$14.40 level. Overall, this is a market that looks as if it has formed a major bottoming pattern near the \$14.30 level, as the \$14 level underneath is massive support on the longer-term chart. short-term pullbacks should continue to offer bullish pressure.

Pivot:	14.47		
Support	14.47	14.38	14.31
Resistance	14.76	14.71	14.62

Source: FX EMPIRE

Highlights

- Spot silver prices rose 1.1 percent to \$14.42 an ounce
- A very tame U.S inflation report also boosted the metals markets
- December Comex silver was last up \$0.269 at \$14.60 an ounce
- A lower U.S dollar index today also worked in favor of the precious metals bulls
- The Fed increased interest rates last month for the third time this year and is widely expected to hike again in December

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 inched lower, following trade data from China, the world's largest metals consumer, and ahead of US import prices, consumer sentiment data, while markets await the G20 meeting for finance ministers in Bali.
- Silver futures due in December rose 0.06% to \$14.62 an ounce, while the dollar index shed 0.05% to 94.97, marking September 28 lows. Earlier Chinese data showed the trade surplus widened to 213 billion yuan, or \$30.9 billion, from 180 billion yuan, or \$26.1 billion in August, easily beating estimates of \$12.3 billion.
- Investors await US imports prices data, expected with a 0.3% monthly increase in September, compared to a 0.6% dip in August, while expected with a 3.1% yearly increase, down from 3.7%.
- Silver prices marked the best performance yesterday since late September, as investors shun risks and the stock markets tumble globally. The UoM consumer sentiment survey is expected to increase to 100.4 from 100.1 in September.
- US President Donald Trump renewed his criticism of the Federal Reserve's policy tightening, accusing them and the treasury department of making the most problems for America, even over the trade dispute with China.
- IMF head expressed her support for China's moves to maintain the flexibility of its exchange rate, while noting the Fed's decisions shouldn't be considered "crazy". The IMF cut its forecasts for global growth for this year and the next for the first time in two years, with US and Chinese economies the most important downgrades.

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 12, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Oct 12	05:30	AUD Home Loans (MoM) (AUG)	Medium	-1.0%		0.4%
Fri Oct 12	11:00	EUR German Consumer Price Index (MoM) (SEP F)	Medium	0.4%	0.4%	0.4%
Fri Oct 12	14:00	EUR Euro-Zone Industrial Production w.d.a. (YoY) (AUG)	Medium	0.9%	-0.3%	0.3%
Fri Oct 12	17:30	USD Import Price Index ex Petroleum (MoM) (SEP)	Medium		-0.1%	-0.2%
Fri Oct 12	17:30	USD Export Price Index (YoY) (SEP)	Medium			3.6%
Fri Oct 12	18:00	MXN Industrial Production NSA (YoY) (AUG)	Medium		1.0%	1.3%
Fri Oct 12	19:00	USD U. of Mich. Expectations (Oct P)	Low			90.5
Fri Oct 12	19:00	USD U. of Mich. Sentiment (Oct P)	High		100.5	100.1
Fri Oct 12	21:30	USD U. of Mich. 5-10 Yr Inflation	Low			2.5%

Source: Forex Factory, DailyFX

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