

Gold

Technical

The massive support level near the \$1185 level has been supportive for some time, and finally this last week buying coming into push this market higher. In fact, Thursday ended up with a \$30 gain. Friday has been very quiet, which is a good sign after that type of gain. The area just below trading over the last couple of weeks has been important more than once. This is a bottom that is crucial, and the fact that it has turned around to break to the upside is a very good sign. It will more than likely see coal recover a bit more, perhaps reaching towards the \$1250 level, maybe even as high as \$1350 if the overall consolidation holds up. The alternate scenario of course is that it turn around and break down below the lows, but that would take a lot of negativity entering the market suddenly. If the US dollar shrinks in value, and it certainly looks as if it could, Gold could also rally.

Pivot:	1,215		
Support	1,215	1,210	1,205
Resistance	1,234	1,230	1,226

Source: FX EMPIRE

Highlights

- Gold futures surged \$30 on track for second weekly gains, before falling on profit-taking
- Gold futures due in December fell 0.35% to \$1,223.30 an ounce away from ten-week highs
- Gold is more appealing after the stock market crash as it has regained some of its safe haven lure
- Spot gold prices may edged up to \$1,235 per ounce
- Gold is closely following the stock market. When stock markets are not stable, there is some safe haven buying

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 rose today as Asian shares resumed their fall and investors grappled with the impact of the ongoing Sino-U.S trade war and higher U.S interest rates.
- Spot gold was up 0.4 percent at \$1,222.0 an ounce and not far off last week's two-month high of \$1,226.70. U.S gold futures were up 0.2 percent at \$1,225.60 an ounce.
- A sell-off in equities last week, helped gold break above the narrow trading range of the past 1-1/2 months, with the metal jumping as much as 2.5 percent on Thursday, its biggest one-day percentage gain in more than two years.
- Gold remains down by more than 10 percent from its April peak, pressured by a strong dollar as the U.S-China trade war unfolds and higher U.S interest rates. The Fed hiked rates last month for the third time this year and is expected to raise them again in December.
- Gold speculators extended their net short position on Comex gold contracts by 29,881 contracts to 103,009 contracts in the week to Oct. 9, data showed. Meanwhile, holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.76 percent to 744.64 tonnes on Friday.
- Gold remains supported by escalating geopolitical tensions. Adding to the mix is the thought the FOMC may consider pausing their widely expected rate hike in December if global equity markets continue to falter.
- An abrupt shift in Fed policy will likely lead to a lack of confidence in the world's most important central bank and could destabilize markets further. China faced "tremendous uncertainties" due to the impact of tariffs and trade frictions.

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

Silver

Technical

Silver markets continue to bounce around between the \$14 level on the bottom and the \$15 level on the top. Gold has already broken out, so typically the silver market would follow right along. Economists think given enough time, silver will rally towards the \$16 level, in that short pullbacks could be opportunities to pick up a little bit along the way. Once it break above the \$15 level, it will bring in fresh money, initially targeting the \$15.50 level, and then the \$16 level after that. If it turn around and break below the \$14 level that would be extraordinarily negative as \$14 has been so supportive, and it would also be breaking down below the hammer for the week which is also obviously negative. However, it is starting to see more money flow into precious metals overall, and of course silver will benefit from that. Build the position along the way, don't jump in with too much money at one time.

Pivot:	14.52		
Support	14.52	14.43	14.34
Resistance	14.83	14.77	14.70

Source: FX EMPIRE

Highlights

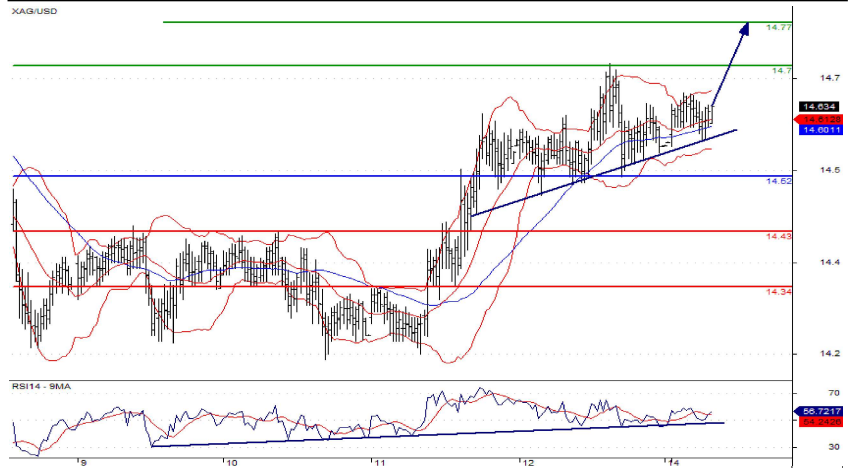
- Silver traded higher today following Asian equity markets which eased due to concerns about a potential decline in China's economic growth
- Silver is also considered an industrial metal as the sector makes up 50% of the metal's demand
- The higher U.S dollar, higher interest rates and trade war uncertainty with China have taken a toll
- The IMF cut its forecasts for global growth for this year and the next for the first time in two years
- Silver prices marked higher as investors shun risks and the stock markets tumble globally

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 American trade to October 5 highs, still on track for the second weekly loss in a row, as the dollar index climbed for the first session in four, following earlier data from China, the world's largest metals consumer, and the US.
- Silver futures due in December rose 0.16% to \$14.63 an ounce, marking week highs, while the dollar index added 0.24% to 95.24 away from 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. Not only is silver suffering from lackluster demand for precious metals but it is also following weak price action in base metals as copper has dropped nearly 1.5% on the day.
- Earlier US data showed import prices rose 0.5%, compared to a 0.4% drop in August, while University of Michigan released the preliminary reading for its consumer sentiment survey, which came at 99 in October, down from 100.1 in September, and missing estimates of 100.4.
- Although silver's freefall appears to have ended and prices are holding above their August lows, the precious metal is still struggling to find a new direction, according to one market analyst.
- Silver has not been able to attract any buying momentum as prices hover at the bottom end of their trading range near one-week lows. December silver futures last traded at \$14.475 an ounce, up 1.04% on the day after receiving a boost from a major sell-off in world stock markets that have spooked traders and investors around the globe.

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

Monday, October 15, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Oct 15	04:01	GBP Rightmove House Prices (YoY) (OCT)	Medium	0.9%		1.2%
Mon Oct 15	09:30	JPY Industrial Production (YoY) (AUG F)	Medium	0.2%		0.6%
Mon Oct 15	12:15	CHF Producer & Import Prices (YoY) (SEP)	Low	2.6%	3.1%	3.4%
Mon Oct 15	17:30	USD Empire Manufacturing (OCT)	Low		20	19
Mon Oct 15	17:30	USD Retail Sales Advance (MoM) (SEP)	High		0.6%	0.1%
Mon Oct 15	17:30	USD Retail Sales Ex Auto and Gas (SEP)	Medium		0.4%	0.2%
Mon Oct 15	17:30	USD Retail Sales Control Group (SEP)	Medium		0.4%	0.1%
Mon Oct 15	18:00	CAD Existing Home Sales (MoM) (SEP)	Medium		0.0%	0.9%
Mon Oct 15	19:00	USD Business Inventories (AUG)	Medium		0.5%	0.6%

Source: Forex Factory, DailyFX

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