

## Gold

### Technical

Gold prices moved lower and bounced near support levels, it continue to see a lot of noise in this market. Support is seen near the 10-day moving average at 1,309. Resistance is seen near the January highs at 1,365. Medium term momentum has turned negative as the MACD (moving average convergence divergence) index generated a crossover sell signal. This occurs as the MACD line (the 12-day moving average minus the 26-day moving average) crosses below the MACD signal line (the 9-day moving average of the MACD line). The gold market will get a bit of a boost due to the shrinking greenback, but at the same time it has geopolitical concerns out there that could also have people looking to buy precious metals for a bit of a safety play.

Pivot:	1,308		
Support	1,299	1,295	1,291
Resistance	1,317	1,313	1,308

Source: FX EMPIRE

### Highlights

- Gold is likely to consolidate above \$1,300 before it see the next move higher
- Gold denominated in euros climbed to the highest level since early May 2017, at 1,155.65 euros per ounce
- The U.S dollar index firmed near a two-week high against a basket of currencies, denting bullion's appeal
- Investors are also keeping a close eye on the U.S Fed's future monetary policy
- For gold prices to firm further, it need to see signs of easing trade tensions

### 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 held near one-week lows touched in the previous session amid a stronger dollar, but worries over slowing global economic growth and the U.S government shutdown kept the safe-haven metal above the key \$1,300-level.
- Spot gold was steady at \$1,306.81 per ounce. Prices fell 0.7 percent in the previous session in their biggest one-day drop since Jan. 18, at one point touching their lowest since Jan. 29 at \$1,305.30. U.S gold futures were down 0.3 percent at \$1,310.70.
- The dollar index, a gauge of its value versus six major peers, was hovering close to its two-week high in early Asian trade. A stronger greenback makes dollar-denominated gold more expensive for holders of other currencies.
- Investors have, since last year, preferred the safety of the dollar due to the United States' trade dispute with China. However, gold has mostly held its own against the dollar this year, reflecting underlying momentum for the metal.
- Gold rose to its highest level since late April last week after the Fed kept interest rates steady but has lost ground ever since after solid U.S jobs data last Friday. The metal has the potential to rebound towards \$1,320 if \$1,308 proves to be reliable support.
- For as long as global growth fears weigh on market sentiment and expectations mount over the Fed taking a break on rate hikes this year, gold will continue shining.
- Bullion appeal though demonstrating for pricing weakness in the current term, will hold an integral role in 2019 amidst heightened geopolitical and economic uncertainties.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2018	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2019	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2019	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2019	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2019	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

Based on the early price action and the current price at \$53.06, the direction of the March WTI crude oil futures contract the rest of the session is likely to be determined by investors reaction to the short-term uptrending Gann angle at \$53.08. The EIA report is expected to show inventories increased by 1.3 million barrels. A trade through \$55.75 will signal a resumption of the uptrend. A trade through \$51.33 will change the main trend to down. Brent markets bounced even harder during the trading session, and again off of the 200 day EMA. This is an extraordinarily important signal, and it looks as if it ready to break out to the upside. The neckline from the inverse head and shoulders is of course being threatened, and if it can break above then market could go to the \$65 level initially, and then eventually the \$67.50 level which is the 200 day EMA.

Pivot:	53.55		
Support	53.55	52.85	52.50
Resistance	55.75	55.20	54.65

Source: FX EMPIRE

### Highlights

- Oil prices rose about 1% yesterday, boosted by signs of strong U.S demand for distillate products
- The oil price to rise in the first-half of 2019 on tightening supply conditions and decline in the second-half on weakening economic activity
- Average of 2019 prices for Brent and WTI, both down by \$8 from its previous outlook
- Venezuela's oil industry expected to freeze the sales proceeds of 500,000 bpd of crude exports
- The United States is currently the world's largest oil producer, ahead of traditional top suppliers Russia and Saudi Arabia

### 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 after U.S crude inventories rose and the country's production held at record levels, but OPEC-led supply cuts and Washington's sanctions against Venezuela supported markets.
- U.S West Texas Intermediate crude futures were at \$53.66 per barrel, down 35 cents, or 0.7 percent, from their last settlement. International Brent crude oil futures fell 39 cents, or 0.6 percent, to \$62.30 per barrel.
- U.S crude oil inventories climbed by 1.3 million barrels in the week that ended Feb. 1 to 447.21 million barrels. Meanwhile, average weekly U.S crude oil production remained at the record 11.9 million bpd it reached in late 2018.
- Market participants have focused on signs of tightening global crude supply after the Organization of the Petroleum Exporting Countries and allies began an agreement in January to cut output.
- The producers known as OPEC+ started cutting production by 1.2 million barrels per day from last month to avert a new supply glut, and OPEC has delivered almost three-quarters of its pledged cuts already.
- The 2019 demand outlook for oil is not great, while the prospects of increased shale supply and competition elsewhere could keep the pressure on prices. In the near term, demand concerns could keep prices under pressure, with China slowing down and concerns are rising over a recession in Germany.
- Global markets with price support are supply cuts led by the Organization of the Petroleum Exporting Countries aimed at tightening the market. OPEC, excluding Iran, Libya and Venezuela, agreed to handle 800,000 barrels a day of those cuts.

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Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2018	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2019	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2019	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2019	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2019	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

## Silver

### Technical

Silver markets continue to struggle a bit during the trading session yesterday, reaching down towards the bottom of the hammer from the Monday session. It is still very much bullish looking overall, but it still continue to struggle to go higher. Silver markets pulled back a bit, as the 20 day EMA underneath is offering support. It will eventually rally and reach towards the \$16 level. It has caused major resistance, so this pullback in my estimation is probably an attempt to build up the necessary momentum to finally break through that level. If it break down below the 50 day EMA, the \$15.50 level will be massive support as well. But beyond that, it also have the Federal Reserve which looks to be a bit more dovish now, which should continue to help silver rally. There are geopolitical concerns that should continue to put a bit of upward pressure on safety trade such as metal.

Pivot:	15.79		
Support	15.58	15.43	15.25
Resistance	15.92	15.86	15.79

Source: FX EMPIRE

### Highlights

- Silver prices were up 0.1 percent at \$15.68 per ounce
- Precious metals traders are looking for a new fundamental spark to ignite their markets
- A cut in interest rates would add pressure to the dollar and support the greenback-denominated bullion, making it cheaper for holders of other currencies
- If the institutional investors take a fantasy to silver it won't take much to invoke a sharp rally
- March Comex silver was last down \$0.081 at \$15.755 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 prices are again modestly lower in early U.S trading yesterday. Both markets are seeing normal and healthy corrective pullbacks from recent gains that pushed prices to multi-month highs. A rebound in the U.S dollar index this week is also a negative for the precious metals markets.
- Silver prices fell on Wednesday for the fourth straight session alongside silver, as the dollar gained ground against major rivals. Investors shunned silver and other safe havens following strong US labor data last week, and amid optimism on trade talks with China.
- A combination of dollar strength this week coupled with solid performance in U.S equities have created pressure in the safe haven class limiting any real upside move for gold pricing.
- The US economy added 304 thousand new jobs in January, even as the unemployment rate rose to 4%. The Fed last week promised to be "patient" with its rate moves due to an impending slowdown and uncertain trade backdrop.
- The dollar index , which tracks the greenback against a basket of major currencies, was little changed after the U.S president's address, standing near a two-week high. Investors are also keeping a close eye on signals from the U.S. Federal Reserve on its future monetary policy trajectory.

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Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2018	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2018	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2018	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2018	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2019	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Thursday, February 07, 2019



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs Feb 07	02:45	NZD Unemployment Rate (4Q)	High	4.3%	4.1%	3.9%
Thurs Feb 07	05:00	USD Fed Chairman Powell to Host Town Hall Meeting with Educators	High			
Thurs Feb 07	10:00	JPY Coincident Index (DEC P)	Medium	102.3	102.2	102.9
Thurs Feb 07	12:00	EUR German Industrial Production n.s.a. and w.d.a. (YoY) (DEC)	Medium	-3.9%	-3.3%	-4.7%
Thurs Feb 07	17:00	GBP Bank of England Bank Rate (FEB 7)	High		0.75%	0.75%
Thurs Feb 07	17:00	GBP Bank of England Inflation Report	High			
Thurs Feb 07	18:30	USD Initial Jobless Claims (FEB 2)	Medium		223k	253k
Thurs Feb 07	18:30	USD Continuing Claims (JAN 26)	Medium		1751k	1782k
Thurs Feb 07	19:00	MXN CPI (YoY) (JAN)	High		4.5%	4.83%

Source: Forex Factory, DailyFX

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