

Gold

Technical

Gold markets pulled back a bit, in what would have been very thin trading. This market should continue to grind towards the \$1300 level. With the Federal Reserve seemingly and more of a dovish tone than previously thought, it suspect that Gold will continue to find buyers. That being the case, this could be a perfect dip to take advantage of as it continue the overall consolidation. The \$1300 level above of course will be a bit resistive and difficult to take out. Once it do get that move, then the market will probably move higher in \$25 increments as gold tends to do. My longer-term target would be \$1400, which breaking above there would open the floodgates to much higher pricing in general. If the US dollar starts to lose value again, then gold will of course get a bit of a bid.

Pivot:	1,276		
Support	1,276	1,273	1,270
Resistance	1,289	1,286	1,283

Source: FX EMPIRE

Highlights

- Gold futures due in February shed 0.26% to \$1,279.30 an ounce, marking four-week lows
- Gold holdings at SPDR Gold Trust, the world's largest gold-backed investment fund
- Gold futures fell to December 27 lows in American trade as the dollar index rose from October 16 lows
- The dollar hovered near 2-week highs against its peers today
- Higher interest rates tend to reduce appetite for non-yielding gold

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, hovering near three-week lows touched in the previous session, as a firmer dollar made bullion more expensive for buyers using other currencies, even as concerns about a global slowdown mounted.
- Spot gold was down 0.2 percent at \$1,277.24 per ounce, after touching its lowest since Dec. 28 at \$1,276.31 yesterday. U.S gold futures fell 0.4 percent to \$1,277.20 per ounce.
- Gold has become a victim of a stronger greenback in the short term. A weaker euro and concerns around growth in Europe have given a leg up to the dollar, pushing gold prices down below key level of \$1,280.
- It hasn't seen much of data coming out of U.S recently due to the government shutdown. The more weaker data that could cause bond yields to fall and support gold. Also, technically, gold needs to push above the challenge of \$1,300 level.
- The dollar's rise weighed on gold, which has climbed more than 10 percent since mid-August, largely because of equity market turmoil and a weak dollar. A weaker Chinese economic data pressured the yuan, making gold more expensive for buyers in the world's No.2 economy.
- It seems that several factors boosting gold earlier in January now seem to be having no effect, namely, the far more dovish Fed statements and clearer signs of slowing global macro growth.
- Instead, it seems that gold is being undermined by a slightly stronger dollar along with a modest uptick in U.S 10-year yields. Fed officials have left little doubt that they want to stop raising interest rates, at least for a while.

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 has shown a proclivity to go higher during the trading session on Friday, as it press the vital \$55 level. That's an area that of course attract a lot of attention but it is also in the process of building an inverse head and shoulders, which could measure for a move to the \$66 area. If it pull back to the 20 day EMA, it may find buyers there as well, pictured in green on the chart. Brent markets also are rallying towards major resistance, in the form of the \$63.50 level, and then the \$65 level. It will eventually go higher, and that once it break the \$65 handle, it will have completely broken through a major "inverse head and shoulders", which of course is a very bullish sign. At that point, it will probably see a run towards \$75, possibly even \$80 given enough time based upon the measurement of the move. If it pull back, then the 20 day EMA, again pictured in green on the chart.

Pivot:	53.80		
Support	52.90	52.45	52.10
Resistance	54.70	54.25	53.80

Source: FX EMPIRE

Highlights

- Oil prices fell today as signs of a spreading global economic slowdown stoked concerns over future fuel demand
- OPEC reported a drop of 751 thousand bpd in output last month to a total of 31.58 million bpd
- Baker Hughes reported a drop of 21 rigs in the US oil rig count to a total of 852 rigs
- From China, the economy grew just 6.4% y/y, the lowest such rate since 2009, and down from 6.5% in the previous quarter
- Oil futures were mixed in American trade yesterday with US crude hitting December 7 highs

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 edged up yesterday, reversing earlier losses, as investors shrugged off data that confirmed China's economic growth is cooling and instead latched on to positive supply-side drivers for the market.
- Brent crude oil futures were up 12 cents at \$62.83 a barrel while U.S crude futures were up 19 cents to \$53.99 a barrel. After two years of solid expansion, the world economy is growing more slowly than expected and risks are rising.
- Global equities fell after data pointed to a slowdown in Chinese economic growth in 2018 to a 28-year low. The numbers fed concern that the outlook for global growth may be darkening, particularly given U.S-China trade tensions.
- Stock markets are still up so far this month, which has given oil investors more confidence to bet aggressively on a rise in crude prices. A more robust backdrop for financial markets and the prospect of slower crude production growth were the major drivers behind the rally in oil.
- The stock market performance is one of the reasons why oil keeps marching higher. There also seems to be a general belief that the agreed cut in OPEC+ production will be sufficient to balance the market.
- There is concern that a slowing global economy could impact oil demand, production cuts implemented by the Organization of the Petroleum Exporting Countries are likely to support crude oil prices.
- A separate report from China's National Bureau of Statistics showed crude oil refinery throughput in 2018 climbed to a record 12.1 million barrels per day, up 6.8 percent from the previous year.

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 pulled back during thin trading yesterday as investors came back from the weekend. Below there, the \$15 level of course will offer support as well, so it's only a matter of time before it bounce. There must be no interest in shorting Silver, because the US dollar, although strengthening over the last couple of days. The market looks likely to punish the US dollar of the longer-term. It looks at pullbacks and silver as an opportunity to pick it up at a better price, as the longer-term trajectory in silver is going to be higher. If it do break down below the \$15 level, then there is a lot of trouble ahead, perhaps a strengthening US dollar due to some type of major issue in the financial markets. It formed a massive base before it broke above the \$15 level, so ultimately it should be rewarded with profits on the long side of the contract. At this point, It will retest the \$16 handle.

Pivot:	15.26		
Support	15.15	15.09	15.05
Resistance	15.36	15.30	15.26

Source: FX EMPIRE

Highlights

- Silver prices marked lower 0.1 percent to \$15.20 an ounce
- Silver prices lurched lower due to reduced orders from industrial units and coin makers
- The silver price trended lower last week after hitting a high of nearly \$16 the prior week
- The silver price peaked right when the Dow Jones started the second stage of its correction higher on January 4th
- The silver price will continue to be weak as the broader markets move higher

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 dipped to December 28 lows in Asian trade even as the dollar index stepped off January 4 highs for another session, following earlier data from China, the world's largest metals consumer, while the US market closes down for the Martin Luther King holiday.
- Silver futures due in March shed 0.45% to \$15.33 an ounce to four-week lows, while the dollar index shed 0.05% to 96.29. From China, the economy grew just 6.4% y/y, the lowest such rate since 2009, and down from 6.5% in the previous quarter.
- Retail sales rose 8.2% in December, up from 8.1% in November, while industrial output rose 5.7%, accelerating from 5.4%, as the unemployment rate rose to 4.9% from 4.8%.
- Last week, China announced plans to increase spending by cutting taxes while doubling efforts to support growth and provide liquidity to the market. The silver price over the past two weeks has been moving in the opposite direction of the Dow Jones Index and the broader markets.
- Adding to the gloom, the International Monetary Fund trimmed its global growth forecasts and a survey showed increasing pessimism among business chiefs as trade tensions loomed.
- The dollar's rise to a near two-week high, which has climbed more than 10 per cent since mid-August, largely because of equity market turmoil and a weak dollar. However, the silver price could fall below that \$15.33 level to \$14.85 before reversing when the broader markets peak and decline sometime in the next week or so.

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

Tuesday, January 22, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tues Jan 22	14:30	GBP Jobless Claims Change (DEC)	Medium			21.9k
Tues Jan 22	14:30	GBP Average Weekly Earnings (3M/YoY) (NOV)	Medium		3.3%	3.3%
Tues Jan 22	14:30	GBP Employment Change 3M/3M (NOV)	Medium		87k	79k
Tues Jan 22	14:30	GBP Public Sector Net Borrowing (DEC)	Medium		1.1b	6.3b
Tues Jan 22	15:00	EUR German ZEW Survey Expectations (JAN)	High		-18.5	-17.5
Tues Jan 22	18:30	CAD Wholesale Trade Sales (MoM) (NOV)	Low		-0.3%	1.0%
Tues Jan 22	18:30	CAD Manufacturing Sales (MoM) (NOV)	Low		-0.1%	-0.1%
Tues Jan 22	20:00	USD Existing Home Sales (MoM) (DEC)	Medium		-1.5%	1.9%
Tues Jan 22	21:30	USD U.S. to Sell USD42 Bln 3-Month Bills	Low			

Source: *Forex Factory, DailyFX*

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