

Gold

Technical

Gold broke above the \$1255 level, an area that has caused a bit of resistance, and now that it has broken above that it looks like the top of the up trending channel has formed. Overall, if it pull back from here, then buyers will probably make another attempt to the upside. Overall, if the market does break to the upside, it could go looking towards the \$1400 level, which was the top of a massive consolidation area. Overall, at this point it's likely that the market will try to reach that level, especially if the US dollar starts to fall apart. This is a market that will continue to be very volatile, but there is enough upward pressure that it will continue to try to recover. If it pull back from here, the uptrend line underneath could offer a lot of support, especially near the \$1225 level. If it break down below there, and more importantly break down below the \$1200 level, then the market could go much lower.

Pivot:	1,259		
Support	1,259	1,256	1,253
Resistance	1,274	1,270	1,266

Source: FX EMPIRE

Highlights

- Gold fell on profit-taking on Friday, a day after bullion touched a near six-month high and the dollar rebounded
- The yellow metal was, however, on course for a weekly gain of about 1.3 per cent
- The metal stayed on track for a weekly gain as the appetite for risk waned
- Spot gold fell 0.4 per cent to \$1,254.81 per ounce, after hitting its highest since June 26 of \$1,266.40 on Thursday
- US gold futures settled down 0.8 per cent, at 1,258.10 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 climbed today, with investor appetite for risk curbed by worries over a partial U.S government shutdown, Sino-U.S trade tensions and faltering global economic growth.
- The U.S economy slowed slightly more than previously estimated in the third quarter and momentum appears to have moderated further in the fourth quarter, with new orders and shipments of manufactured capital goods falling in November.
- The partial U.S government shutdown was almost certain to drag through the Christmas holiday after the Senate adjourned on Saturday without breaking an impasse over President Trump's demand for more funds for a border wall.
- Trump has privately discussed the possibility of firing Federal Reserve Chairman Jerome Powell, a move that could roil already volatile financial markets, two sources familiar with situation said on Saturday.
- China and the United States held a vice ministerial-level call on Friday, the second such contact in a week, achieving a "deep exchange of views" on trade imbalances and the protection of intellectual property, the Chinese Ministry of Commerce said.
- The dollar recovered, attracting safe-haven buying as persistent equity market turbulence and possibilities of a US government shutdown taxed investors' affinity for risk-taking.
- Fears of a shutdown also compounded worries in stock markets, which extended a week-long sell-off, prompting some safe-haven inflows into bullion. There was some profit-taking as the US dollar remains resilient.

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 massive amount of selling pressure yet again during the week, slicing through the \$50 level and reaching towards the \$45 handle. This is a massive move lower that seems to only be accelerating. At this point though, there's even more support at the \$40 level, so if it break through the \$45 handle, it will see even more pressure in that area. OPEC is almost certainly going to extend production cuts. Brent markets broke down significantly during the week, slicing through the \$55 handle. This is a continuation of the massive selloff that have seen, and it now looks as if Brent will go to the psychologically important \$50 handle, as it is almost a foregone conclusion at this point. It suspect selling rallies should continue to be a major issue, and the \$60 level should offer a bit of a ceiling in this market. While WTI looks very soft and weak, the Brent market looks even worse.

Pivot:	45.30		
Support	45.30	44.80	44.50
Resistance	47.20	46.80	46.25

Source: FX EMPIRE

Highlights

- Average Brent oil prices will be below \$70s in the whole of 2019
- The United States now pumps 11.6 million barrels per day of crude, more than either Saudi Arabia or Russia
- OPEC and allied non-OPEC oil producers including Russia agreed at the start of December to curb output by 1.2 million barrels a day
- Russia and the allied non-OPEC producers will contribute a 400,000 barrels daily reduction
- An oversupply of oil will continue to pressure prices into the first quarter of 2019

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 rose more than 1 percent today on signs that the recent price plunge may start crimping supply from the U.S, currently the world's biggest oil producer, though concerns about global economy continues to weigh.
- International benchmark Brent crude futures rose 60 cents, or 1.1 percent, to \$54.42 a barrel. Prices climbed to as high as \$54.66. U.S West Texas Intermediate crude futures were up 37 cents, or 0.8 percent, to \$45.96 a barrel after earlier climbing to as high as \$46.24.
- Crude prices rebounded from a sharp declines last week. Brent fell 11% for the week, dropping to its lowest since September 2017 on Friday. WTI also dropped 11% last week, its worst weekly performance since January 2016.
- Oil prices have fallen to their lowest since the third quarter of 2017, heading for losses of more than 11 percent in a week, as global oversupply kept buyers away from the market ahead of holidays over the next two weeks.
- Crude has lost ground along with major equity markets as investors fret about the strength of the global economy heading into next year. The big oil producers in OPEC, dominated by Middle East Gulf states reliant on energy exports, have agreed to reduce production to try to push up prices.
- According to OPEC's own forecasts, global oil stocks will build by 500,000 bpd in the first half of 2019. This will compound a glut in OECD commercial oil stocks.
- In the short term, it doesn't seem oil prices would drop further because WTI has broken the \$50 resistance level and U.S President Trump would not want to see WTI falling further to support U.S shale industry.

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 tried to rally during the week, reaching towards the \$15 level, an area that has been resistance more than once. At this point, it's likely that investors will continue to bounce back and forth, and this week being dominated by the holidays. If it can break above the \$15 level, then it could go to the \$16 level, as it is a \$1.00 tall consolidation area. It would point out that is forming a bit of a shooting star, so it could pull back a little bit, and go looking towards the \$14.50 level again. That is essentially "fair value" when it comes to this market, as it is directly in the middle of consolidation. If it break down below the \$14 level, then the market could go down to the \$13 level rather quickly, perhaps down to the \$12 level based upon the longer-term charts. If the market breaks out, that could be the beginning of a continuation of buying pressure.

Pivot:	14.64		
Support	14.64	14.59	14.53
Resistance	14.92	14.88	14.84

Source: FX EMPIRE

Highlights

- Silver fell about 1 per cent to \$US14.61 per ounce, but had gained about 0.4% so far for the week
- For the third consecutive year investors look for silver to outperform all other metals next year
- The strong optimism for silver comes despite the fact that the metal has been the worst performer in the precious metals space in 2018
- March silver futures last traded at \$17.76 an ounce, down 0.73% on the day
- Investors move back into the precious metals space due to a weaker U.S dollar

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 price shows new positive attempts to test 14.73 level, but as long as the price is below 14.80 resistance, the bearish trend scenario will remain valid on the intraday and short term basis, as breaching it will push the price towards 15.22 mainly, while the next target of the expected bearish wave is located at 13.93.
- Silver prices were trading higher in morning trade today following buying in precious metals by jewellers, industries, retailers and investors. Expected trading range for today is between 14.40 support and 14.90 resistance.
- Safe haven demand amid worries about a partial US government shutdown and slowing global economic growth further supported metal prices. Signs of political instability in the United States at a time when the global economy is weakening sent equities sliding, further boosting demand for silver.
- US Dollar index came under selling pressure and slumped to month low as the Fed's rate hike was against the wishes of US president Trump. The scenario is changing as the US Federal Reserve Chairman Jerome Powell, signalled only two hikes (downgrade their forecast by reducing hikes from 3 to 2) in 2019 and also hinted a rate cut in 2020.
- A partial U.S government shutdown was almost certain to drag through the Christmas holiday after the Senate adjourned on Saturday without breaking an impasse over President Donald Trump's demand for more funds for a border wall.
- Investors will start allocating some funds to silver considering that global growth is slowing and equity markets remain muted. If one has to seek refuge in these ongoing crises, silver is a good option.

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, December 24, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Dec 24	14:00	CHF Total Sight Deposits CHF (DEC 21)	Low			576.3b
Mon Dec 24	14:00	CHF Domestic Sight Deposits CHF (DEC 21)	Low			471.6b
Mon Dec 24	18:30	USD Chicago Fed Nat Activity Index (NOV)	Low		0.2	0.24
Mon Dec 24	20:00	USD U.S. to Sell USD39 Bln 3-Month Bills	Low			
Mon Dec 24	20:00	USD U.S. to Sell USD36 Bln 6-Month Bills	Low			
Mon Dec 24	21:30	USD U.S. to Sell USD40 Bln 2-Year Notes	Low			

Source: Forex Factory, DailyFX

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