

Gold

Technical

The Gold markets have pulled back day, breaking down below the \$1280 level. If it break down below that level again, the buyers will be looking for value underneath. It has formed three hammers in a row, so the next move should be rather significant. If it break down below these three hammers, that of course would be an extraordinarily negative sign as it would be a break of massive support. However, if it break above the top of the middle hammer, then it would show a significant break of resistance, and it should send the market heading towards the \$1290 level, and then eventually the \$1300 level. The US dollar will have its influence, as the Gold markets will typically rally with the softening US dollar. At this point, it's very likely that the market will remain volatile.

Pivot:	1,278		
Support	1,278	1,276	1,274
Resistance	1,292	1,289	1,286

Source: FX EMPIRE

Highlights

- Gold prices held steady today, supported by worries over a slowing global economy
- A weaker dollar is supporting the gold for the moment
- The U.S dollar index, which measures the greenback against a basket of six major currencies, fell for third day
- Investor inflows look set to continue given our expectation of further falls in global equity markets
- Spot gold may retest a support at \$1,278 per ounce, a break below which could cause a loss to the next support at \$1,266

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 held steady, supported by worries over a slowing global economy and a prolonged U.S government shutdown, but the safe-haven metal's gains were capped by a strong technical resistance and a firmer U.S dollar.
- Spot gold was firm at \$1,280.66 per ounce, while U.S gold futures were steady at \$1,279.90 per ounce. The US and China are "miles and miles" from resolving trade issues, but there is a fair chance the two countries will get a deal.
- There are enough supporting factors like the U.S government shutdown and recent stock market volatility to keep gold in this tug of war. Right now because the stock markets have bounced, a little bit of pullback and greater risk-on attitude, which is keeping gold in check.
- The MSCI global stock index clung to a small gain, and U.S Treasuries were in demand after Draghi said risks to euro zone growth had shifted to the downside and the US was cautious on prospects for a trade deal with China.
- On the technical front, gold's repeated attempts to cross the key psychological resistance at \$1,300 per ounce. Gold is stalling any moves as it awaits the culmination of high-level U.S-China trade talks due next week.
- Gold prices have gained over 10 percent since touching 1-1/2-year lows in mid-August, mainly because of dampened risk sentiment amid fears of a global slowdown, expectations of a pause in U.S interest rate hikes, and more recently, the prolonged U.S government shutdown.
- Meanwhile, investor focus turned to the European Central Bank (ECB), which is widely expected to keep its monetary policy unchanged at its first policy meeting of 2019 that ends later today.

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 went back and forth during the trading session yesterday, as it continue to dance around just below the 50 day EMA, and perhaps more importantly the \$55 level which is supposed to be massive resistance. If it can break above that level, this market goes much higher, perhaps reaching towards the \$57.50 level initially, and then the \$60 level after that. It could even make a case for an inverted head and shoulders, which means that it could go as high as \$67.50 level. The alternate scenario is that it break down below the 20 day EMA, which is of course supportive as well. Brent markets of course are very similar, with the resistance barrier being the \$64 level, perhaps extending to the \$65 level. If it can break above that level, then the market should probably go to \$67.50, then perhaps the \$70 level.

Pivot:	53.05		
Support	53.05	52.50	51.85
Resistance	55.50	54.90	54.50

Source: FX EMPIRE

Highlights

- Crude oil prices inched higher as geopolitical risks outweighed an expected rise in inventories in the US
- The surge in U.S output has resulted in swelling U.S fuel inventories
- The global economic expansion has been losing momentum since the middle of last year
- The country's oil output is expected to rise to a new record of more than 12 million barrels per day in 2019
- If oil prices continue to go up, it becomes a domestic political issue that the Trump administration does not want to deal with

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 by more than one percent today as turmoil in Venezuela triggered concerns that its oil exports could soon be disrupted. Washington signaled it could impose sanctions on Venezuela's crude exports as Caracas descends further into political and economic turmoil.
- International Brent crude oil futures were at \$61.89 a barrel, 80 cents, or 1.3 percent, above their last close. U.S West Texas Intermediate crude futures were at \$53.90 per barrel, up 77 cents, or 1.5 percent.
- Fundamentally, however, global oil markets are still well supplied, thanks in part to surging output in the United States, where crude production rose by more than 2 million barrels per day last year to a record 11.9 million bpd.
- Record U.S production would likely offset any short-term disruptions to Venezuelan supply due to possible U.S sanctions. The bank cut its 2019 average Brent crude oil forecast to \$70 a barrel, down from \$72 previously.
- Gasoline stocks rose for an eighth consecutive week in the week to Jan. 18, by 4.1 million barrels to a record 259.6 million barrels, the U.S Energy Information Administration said in a weekly report yesterday.
- U.S growth potential could be slowed if oil prices slide below our base case for extended periods but, as long as average prices stay above \$50, positive U.S production tendencies will persist.
- Oil prices this year will be influenced primarily by the health of the global economy, which is why prices have closely tracked equity and bond markets in recent months.

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 a bit during the trading session yesterday but continues to find support at the 61.8% Fibonacci retracement level. It's only a matter time before the buyers come in and push this market higher, not only because of the price action that it has seen over the last couple of days, but also the 50 day EMA underneath starting to come into the picture. It is going to have to watch the US dollar, as it will have its influence on precious metals overall. If the US dollar can fall, that should push silver back towards the \$15.50 level, perhaps even the \$15.75 level after that. Alternately, if it break down below the 50 day EMA, it could go looking towards the \$15 level, an area that of course has a certain amount of psychological influence based upon it, so it will eventually see buyers jumping in and pushing towards the \$16 level.

Pivot:	15.27		
Support	15.27	15.22	15.16
Resistance	15.52	15.48	15.43

Source: FX EMPIRE

Highlights

- Silver prices were down 0.2 percent \$15.32 an ounce
- A prolonged U.S government shutdown reminded investors of risks to growth to the economy
- Political stalemate in Washington and U.S-China trade relations remain in focus and should provide support to silver prices over the near-term
- Investors await US unemployment claims data for the week ending January 19
- March Comex silver was down \$0.075 at \$15.30 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

- Dollar rose against a basket of major rivals today, in turn harming dollar-denominated futures such as silver. Market sentiment is still sour however as the US government shutdown continues with no clear signs of a resolve soon.
- US trade secretary Wilbur Ross cautioned the road is still long to reach a deal with China amid stubborn issues hanging between both sides. The dollar index rose 0.6% to 96.3, with a session-high at 96.3, and a low at 95.7.
- Silver March futures slid 0.5% to \$15.30 an ounce, with an intraday high at \$15.405, and a low at \$15.245. silver investors continue to seek out fresh news to drive their markets.
- The metals are pressured today by a solid rally in the U.S dollar index, which also hit a three-week high. Some technical selling is also occurring in silver, as their near-term chart postures have deteriorated recently.
- The partial U.S government shutdown drags on, along with the lack of U.S economic data to drive many markets. A top Trump administration economic advisor on Wednesday said the shutdown could prompt zero growth in the U.S economy in the first quarter of 2019.
- Silver futures due in March fell 0.26% to \$15.34 an ounce, as the dollar index inched down 0.02% to 96.10 off three-week highs. The European Central Bank is holding its policy meeting today, expected to maintain the minimum bid rate at zero and the deposit rate at minus 0.40%.

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, January 25, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Jan 25	14:00	EUR German IFO Business Climate (JAN)	Medium		100.6	101
Fri Jan 25	14:00	EUR German IFO Expectations (JAN)	Medium		97.0	97.3
Fri Jan 25	14:30	GBP BBA Loans for House Purchase (DEC)	Medium		38700	39403
Fri Jan 25	16:00	GBP CBI Reported Sales (JAN)	Low		2	-13
Fri Jan 25	18:30	USD Durable Goods Orders (DEC P)	High	delayed		
Fri Jan 25	18:30	USD Durables Ex Transportation (DEC P)	Medium	delayed		
Fri Jan 25	18:30	USD Cap Goods Ship Nondef Ex Air (DEC P)	Low	delayed		
Fri Jan 25	20:00	USD New Home Sales (MoM) (DEC)	Medium	delayed		
Fri Jan 25	23:00	USD Baker Hughes U.S. Rig Count (JAN 25)	Medium			1050

Source: Forex Factory, DailyFX

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