

Gold

Technical

Gold markets pulled back a little bit yesterday, reaching down towards the \$1325 level. This is a market that looks to be very well supported underneath, and with Jerome Powell speaking in front of Congress this week, it's very likely that the chairman will try to talk down the value of the US dollar and reiterate the dovish stance of the Federal Reserve has recently taken. If it break down below the \$1300 level, then it could go down to the \$1275 level next. If that's going to be the case, then gold should rally due to that very fact. Support on the yellow metal is seen near the 20-day moving average at 1,318. Prices are grinding in an upward trend and taking their cues from the dollar. Short-term momentum is negative as the fast stochastic recently generated a crossover sell signal.

Pivot:	1,330		
Support	1,332	1,319	1,316
Resistance	1,336	1,333	1,330

Source: FX EMPIRE

Highlights

- Gold prices edged up to \$1332 per ounce as US trading approached, still down 1.3% from last week's spike to 10-month highs
- Gold prices were slightly firmed on a subdued U.S dollar
- Gold prices might come under pressure from the stock market
- Gold viewed as a haven asset, tends to decline when stock rise
- The bull camp for gold might hold out hope that gold's ability to hold up at the end of last week, in the face of 'euphoria' toward the trade deal

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 up yesterday as the dollar fell against the yuan after U.S President Donald Trump said he would delay an increase in tariffs on Chinese goods.
- Gold has seen a little profit-taking from the past few weeks along with a continued appetite for additional equity risk in the broader U.S market. Trump's extension of tariff deadline has weakened the dollar, driving gold up.
- Gains in equity markets tend to decrease appeal for gold, considered a safe store of value during economic and political uncertainty. Spot gold rose 0.2 percent to \$1,330.26 per ounce. U.S gold futures were steady at \$1,332.70.
- Gold prices, though hinting for a looming bearish correction on risk-on market sentiments, will remain firmly supported on rising economic uncertainties and heightened geopolitical risks in 2019.
- On the technical front, gold may retest a support at \$1,321 per ounce, a break below which could cause a loss to \$1,311. The dollar was also trading little changed and almost flat at 96.495. Earlier losses for the index had offered some support for dollar-denominated gold.
- The precious metal's decline may also have been somewhat offset by the fact that China is one of the world's largest buyers of commodities, including gold, and progress on tariff talks can be viewed as supportive for the natural resources complex.
- The dollar also traded little changed and almost flat at 96.495. Earlier losses for the index had offered some support for dollar-denominated gold. The signal of an imminent U.S-China trade agreement is also contributing.

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

crude oil is inching higher yesterday, but remain under the multi-month high reached late last week. The market has been very choppy since going down there so it does look like it could turn around and try to reach towards the upside. The market is being underpinned by the OPEC-led supply cuts and U.S sanctions against Venezuela and Iran. Prices may be getting an additional boost from optimism over a U.S-China trade deal. Brent markets fell as the 200 day EMA brought in some bearish pressure. The market looks very likely to find buyers underneath, especially near the \$64 level, which was a previous resistance barrier. The main trend is up. A trade through \$57.81 will signal a resumption of the uptrend. A trade through \$51.62 will change the main trend to down. The minor trend is also up. A move through \$53.51 will change the minor trend to down.

Pivot:	55.90		
Support	54.75	54.35	53.85
Resistance	57.00	56.35	55.90

Source: FX EMPIRE

Highlights

- Oil futures tumbled 3% after Trump called for OPEC to "relax and take it easy" on boosting crude prices
- U.S. crude may test support at \$54.39 per barrel, a break below which could cause a loss to \$53.18
- The oil markets have been the most optimistic on a U.S-China trade deal over the last two weeks
- The sharp drop in oil prices is likely due to market jitters on potential waivers in U.S sanctions on Iranian petroleum exports
- The effects of additional U.S waivers on Iran will impede OPEC+ efforts to rebalance oil markets in 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 inched down today to extend losses of more than 3 percent from the previous session, easing after U.S President Donald Trump called on OPEC to rein in its efforts to boost prices.
- International Brent futures were at \$64.66 a barrel, down 10 cents, or 0.2 percent, from their last close. Brent, which plunged 3.5 percent touched its lowest since Feb. 14 at \$64.32 a barrel. U.S West Texas Intermediate crude futures were at \$55.21 per barrel, down 27 cents, or 0.5 percent.
- Crude prices have risen by about 20 percent since the start of the year when the Organization of the Petroleum Exporting Countries and non-member producers, such as Russia, cut production to reduce global supply.
- OPEC and 10 partner producers outside of the cartel, led by Russia, agreed late last year to cap crude output by a collective 1.2 million barrels a day for the first half of this year.
- OPEC production has also been declining as a result of U.S sanctions on the oil industries of cartel members Iran and Venezuela, both of which were exempted from the latest production-cut deal.
- Saudi Arabia, the world's largest oil exporter, recently estimated its production will fall in March by more than anticipated under the supply-reduction agreement, to 9.8 million bpd.
- Oil prices continue to face headwinds from growing U.S production and weaker global growth prospects. A U.S government report showed weekly domestic crude output at a record 12 million barrels a day, and supplies up a fifth straight week.

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	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 went back yesterday to kick off the week, as it is testing the \$16 level. This is an area that is rather significant resistance, and although it is still in an uptrend, it looks as if it is going to take a lot of momentum to finally break out above there. The uptrend line underneath should continue to offer support as well, so there will be another attempt to break out to the upside. The silver market has been lagging behind the gold market, so therefore although there is opportunity for this market to go higher, it will probably be a bit slower than gold as per usual. While it breaks down below the \$15.50 level, which would be very negative and send this market down to the \$15.00 level after that. If it breaks to the upside, the market will then start looking to go to the \$16.50 level above as it is an area of previous contention. The 50 day EMA is just below that uptrend line as well.

Pivot:	15.95		
Support	15.76	15.71	15.64
Resistance	16.05	16.00	15.95

Source: FX EMPIRE

Highlights

- Silver prices meantime swung in a 15-cent range but held unchanged for Dollar investors at \$15.92 per ounce
- The dollar index fell off December 17 highs following data and developments from the US
- Asian shares scaled a 5-month peak after Trump's decision to extend the deadline improved appetite for riskier assets
- Spot silver marked up 0.4 percent to \$15.98 per ounce
- May Comex silver was last down \$0.099 at \$15.82 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 moderately lower in U.S trading yesterday. The safe-haven metals are pressured by upbeat attitudes among investors to start the trading week.
- U.S stock indexes hit three-month highs today and are trending solidly higher, to underscore positive attitudes in the marketplace that are a negative for the safe-haven metals. The U.S economy is strong at present, but there is also keener uncertainty about future growth prospects.
- Silver futures due in May rose 0.38% to \$16.03 an ounce, while the dollar index dipped 0.04% to 96.47 off three-month highs. Now investors await US wholesale inventory data, expected up 0.3%.
- Investors worldwide are cheered by the substantial progress achieved in the U.S-China trade talks that have been going on the past few weeks. On Sunday, President Trump tweeted that he is delaying the originally imposed early-March deadline for new U.S tariffs on China's imports, because of the progress made so far.
- The US Dollar fell against all major currencies except the Japanese Yen and Swiss Franc after the Chinese Yuan opened sharply higher, pushing through 6.70 per Dollar and hitting its strongest since mid-July. In the last five years it has been fighting its rate raises in the U.S and a strong U.S dollar.
- US President Donald Trump announced an extension to the trade truce with China, with Chinese media indicating the talks are in their final and most difficult stretches.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2018	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

Tuesday, February 26, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tues Feb 26	15:00	GBP BOE's Carney, Ramsden, Vlieghe, Haskel at Parliament Committee	High			
Tues Feb 26	18:30	USD Housing Starts (MoM) (DEC)	Medium		-0.50%	3.20%
Tues Feb 26	18:30	USD Building Permits (MoM) (DEC)	Medium		-2.80%	5.00%
Tues Feb 26	19:00	USD House Price Purchase Index (QoQ) (4Q)	Medium			1.30%
Tues Feb 26	19:00	USD House Price Index (MoM) (DEC)	Medium		0.40%	0.40%
Tues Feb 26	19:00	USD S&P CoreLogic CS 20-City (MoM) SA (DEC)	Medium		0.30%	0.30%
Tues Feb 26	20:00	USD Powell testifies Before Senate Banking Panel	High			
Tues Feb 26	20:00	USD Consumer Confidence Index (FEB)	High		124.1	120.2
Tues Feb 26	20:00	USD Conf. Board Present Situation (FEB)	Medium			169.6

Source: Forex Factory, DailyFX

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