

Commodity News

Friday, March 29, 2019



Gold

Technical

Gold prices dropped sharply yesterday, declining more than \$17 per ounce or 1.33%. A strong dollar paved the way for lower gold prices. Gold markets are at a very interesting level currently, as it broke down rather significantly. Gold prices dropped as the dollar gained traction against most major currencies. The US dollar has its usual influence on the Gold markets, as a rising US dollar can often put downward pressure on gold. Support is seen near an upward sloping trend line that connects the lows in January to the lows in February and comes in near 1,283. A break of this neck line could acceleration to the downside. Resistance is seen near the 50-day moving average at 1,307. Momentum has turned negative as the MACD index generated a crossover sell signal.

Pivot:	1,293		
Support	1,282	1,279	1,276
Resistance	1,306	1,300	1,293

Source: FX EMPIRE

Highlights

- Gold prices fell as U.S dollar strength pressured the dollar-denominated metal lower and higher equities stripped the safe-haven asset of its appeal
- Gold is struggling once again as two of its three main engines sputter, while U.S Treasury action remains supportive
- The precious metals bulls are fading late this week amid a resurgence of the U.S dollar index
- A bit more risk appetite in the marketplace today is also a negative for the safe-haven metals
- The dollar has been rallying in recent days, and that certainly hasn't helped gold's case

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 steadied today, but was headed for its worst month since August 2018 predominantly on stronger dollar and equities, while palladium bounced back after three straight sessions of sharp selloffs.
- Spot gold was flat at \$1,290.34 per ounce, after declining about 1.5 percent in the previous session, the most in over seven months. U.S gold futures were down 0.1 percent at \$1,288.70 an ounce.
- The metal is set for its first weekly fall in four and has lost about 1.7 percent this month. But on a quarterly basis, gold is on path for a second straight rise, due to a dovish U.S Federal Reserve and concerns about a global economic slowdown.
- The U.S dollar index traded at a two-week high, making dollar-denominated gold more expensive for holders of other currencies. The greenback benefitted principally from weakness seen in sterling after the British parliament failed to reach a majority in indicative votes.
- U.S stocks remained stable yesterday after a report that the U.S and China had made progress in all areas in trade talks, bolstering risk sentiment to no avail for safe-haven gold.
- Global bond yields pressed lower as fears of slowing growth spurred speculation that central banks would need to ease policy. Lower yields benefit gold as it reduces the opportunity cost of holding non-yielding bullion.
- Negative sentiment sparked by worry about sluggish growth has weighed on global stocks this week and pushed bond yields lower across the globe. However, that dynamic also has propelled demand for dollars.

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

The WTI Crude Oil market fell yesterday but found enough support underneath the 200 day moving average to pop back towards the \$59 level. That is a very strong sign, as it continue to see buyers come in and pick up value as it occurs. That doesn't mean that it's easy to take off to the upside yet, but it does seem as if the buyers are very dead set on pushing this market higher. The \$60 level above offers significant resistance of course, so if it can break above that level and more importantly close well above it, then the market could go much higher. Brent markets of course have acted very much the same, and as it broke down buyers came in to pick this thing up again. While the market has been somewhat sideways, it has shown signs of resiliency and a slight tilt higher. The buyers are probably still going to be aggressive, as there are plenty of fundamental reasons.

Pivot:	59.15		
Support	59.15	58.75	58.45
Resistance	60.65	60.35	60.10

Source: FX EMPIRE

Highlights

- Oil prices were down yesterday, extended losses into a second consecutive session after a surprise rise in U.S crude inventories
- Bullish sentiment underpins the market, which has seen Brent rise almost 30 percent this year
- The price surge triggered a call by U.S President Donald Trump for OPEC to boost production to lower prices
- Brent prices forecast to average \$74 per barrel in the second quarter
- The market could be quite tight through the third 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 today on the back of ongoing OPEC-led supply cuts and U.S sanctions against Iran and Venezuela, putting crude markets on track for their biggest quarterly rise since 2009.
- U.S West Texas Intermediate futures were at \$59.68 per barrel, up 38 cents, or 0.6 percent, from their last settlement. WTI futures were set to rise for a fourth straight week and were on track to rise 31 percent in the first three months of the year.
- Brent crude oil futures were up 34 cents, or 0.5 percent, at \$68.16 per barrel. Brent futures were set for a 1.7 percent weekly gain and a for the week and a 27 percent rise in the first quarter.
- Oil prices have been supported for much of 2019 by the efforts of the Organization of the Petroleum Exporting Countries and non-affiliated allies like Russia, together known as OPEC+, who have pledged to withhold around 1.2 million barrels per day of supply this year to prop up markets.
- Production cuts from the OPEC+ group of producers have been the main reason for the dramatic recovery since the 38 percent price slump seen during the final quarter of last year.
- The OPEC+ cuts are not the only reason for rising oil prices this year, with analysts also pointing to U.S sanctions on oil exporters and OPEC members Iran and Venezuela as reasons for the surge.
- U.S crude inventories rose last week by 2.8 million barrels, compared with analysts' expectations for a decrease of 1.2 million barrels, the U.S Energy Information Administration said.

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 broke down significantly during the trading session yesterday, reaching down towards the \$15.00 level before showing signs of support. At this point, the \$15.00 level underneath should be thought of as significantly important, as it is not only a round figure, but it's also an area that has been both support and resistance in the past. Because of this, it's very likely that it will continue to see it have an effect on price. If it do break down below the \$15.00 level, it's likely that the market will probably go down to the \$14.50 level. At this point, the US dollar will have a major influence on what happens in the precious metals market. Silver seems to be especially sensitive to that, and of course it has seen the US dollar picked up strength. Ultimately, if it break above the uptrend line, then it could go much higher.

Pivot:	15.08		
Support	14.89	14.83	14.78
Resistance	15.22	15.14	15.08

Source: FX EMPIRE

Highlights

- Silver prices fell as the Dollar strengthened against most major currencies
- The US dollar index fell 0.10% to 96.86, showing a drop from two-week high
- Silver prices are also pressured by slower demand levels for safe investment assets, with news of new progress in US-China trade talks
- Silver bulls have company, as much of the raw commodity sector was punished today by the stronger greenback
- May Comex silver was last down \$0.308 at \$14.99 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

- The silver market was hammered to a three-month low. The precious metals bulls are fading fast late this week amid a resurgent U.S dollar index that is pushing toward its recent multi-month high.
- Silver prices fell today for three sessions in a row, as the Dollar strengthened against most major currencies, while weak US data failed to support the demand for precious metals.
- Silver prices fell around 0.5% to trade at \$15.20 an ounce from the opening of \$15.27, with a high of \$15.31 and a lowest since March 15 at \$15.19. Silver lost 1.05% on Wednesday, its second consecutive daily loss, with most metals backed by US dollars falling.
- The dollar index rose 0.1% yesterday, extending for a third straight day, reaching a two-week high of 96.57 points, showing the continuation of the dollar gains against most major and minor currencies.
- The rise in the US currency came as dollar purchases continue to be the best current investment in the foreign exchange market, especially as most global central banks are turning into less aggressive strategies.
- The U.S economic data point of the day was the third and final reading on fourth-quarter gross domestic product. GDP came in at up 2.2%, which was right in line with the consensus forecast and compares to the last 4Q estimate of up 2.6%. At the same time the U.S jobless claims report came in and showed a drop in the latest week. The U.S dollar index began its rally today right after those U.S data releases.

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

Friday, March 29, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Mar 29	17:30	CAD Gross Domestic Product (YoY) (JAN)	High		1.50%	1.10%
Fri Mar 29	17:30	USD Personal Income (FEB)	Medium		0.30%	-0.10%
Fri Mar 29	17:30	USD Personal Spending (JAN)	Medium		0.30%	-0.50%
Fri Mar 29	17:30	USD Real Personal Spending (JAN)	Medium		0.30%	-0.60%
Fri Mar 29	17:30	USD PCE Core (YoY) (JAN)	High		1.90%	1.90%
Fri Mar 29	18:45	USD Chicago Purchasing Manager (MAR)	Medium		61	64.7
Fri Mar 29	19:00	USD New Home Sales (MoM) (FEB)	Medium		2.10%	-6.90%
Fri Mar 29	19:00	USD U. of Mich. Sentiment (MAR F)	Medium		97.8	97.8
Fri Mar 29	22:00	USD Baker Hughes U.S. Rig Count (MAR 29)	Medium			1016

Source: Forex Factory, DailyFX

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