

## Gold

### Technical

Gold markets went back and forth during the course of the week, as it continue to try to build up enough momentum to break out to the upside. If it can clear the \$1300 level, the gold will continue to go much higher. The Federal Reserve stepping away from its overly hawkish stance suggests that perhaps Gold could get a bit of a boost from a shrinking US dollar. However, the market will continue to be very choppy, so wait for short-term pullbacks as it can take advantage of to pick up a bit of value. This is why technical investors will also look for opportunities to go long. Once it break the \$1300 level, the market will go looking towards the \$1350 level, and then the \$1400 level. Ultimately, this market will move in lockstep with the US dollar falling. If it break back into the previous channel, the \$1250 level should be massive support.

Pivot:	1,289		
Support	1,289	1,287	1,284
Resistance	1,304	1,298	1,296

Source: FX EMPIRE

### Highlights

- Gold usually goes up when the dollar falls as investors move away from dollar-backed funds to gold
- The precious metals sectors continues to benefit from a weaker U.S dollar and periodic weakness in equity markets
- The geopolitical risks have also started to induce some safe-haven buying
- Spot gold remains neutral in a range of \$1,279-\$1,299 per ounce
- The precious metal was also supported by increasing market nervousness

### 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 rose today as the dollar fell on expectations that the U.S Federal Reserve will not raise rates this year and as Asian markets dropped after lackluster China data reflected a slowdown in the world's second-largest economy.
- Gold tends to gain on expectations of lower interest rates, as they reduce the opportunity cost of holding a non-yielding bullion and trims the demand for U.S dollar, making the yellow metal less expensive for holders in other currencies.
- Spot gold was up 0.3 percent at \$1,291.42 per ounce. U.S gold futures were up 0.2 percent at \$1,291.40 per ounce. The weakness in equities and U.S dollar appear to be a bonding providing support for gold.
- There is a key resistance between \$1,290 and \$1,310. Gold will need to do substantial work to rise above this level as generally we see traders shorting into it.
- Gold, which is used as a safe-haven investment during times of economic, political and financial uncertainty, is up about 0.6 percent for the week. The \$1,300 resistance level for gold is looking very vulnerable.
- The market feels there is a shift in the Fed's stance and it is more accommodative and it is seeing the dollar weakening for several sessions. If more speculators jump on the bandwagon, gold will pass the \$1,300 level.
- Spot gold has gained over 11 percent since hitting a 1-1/2-year low in mid-August at \$1,159.96. And the dollar softening as trade relations between the U.S and China improve should continue to lift gold.

### 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 broke above the \$50 handle, an area that has been important previously due to support. It has broken above the \$50 level, then it looks as if it will continue to go higher longer term. The attitude of oil investors has changed drastically over the last couple of weeks. A break above the top of the candle stick is reason to go long, but it also recognize that the \$55 level could cause a bit of resistance. Brent markets rallied and broke above the \$60 level above, reaching towards the \$62 handle. At this point it's likely that it will continue to go higher given enough time, but the \$65 level above is resistance. Ultimately, if it can break above the \$65 level it can change the entire trend. It is trying to build a bit of a base, the market will of course be choppy because of this.

Pivot:	52.10		
Support	50.20	49.50	48.90
Resistance	53.35	52.70	52.10

Source: FX EMPIRE

### Highlights

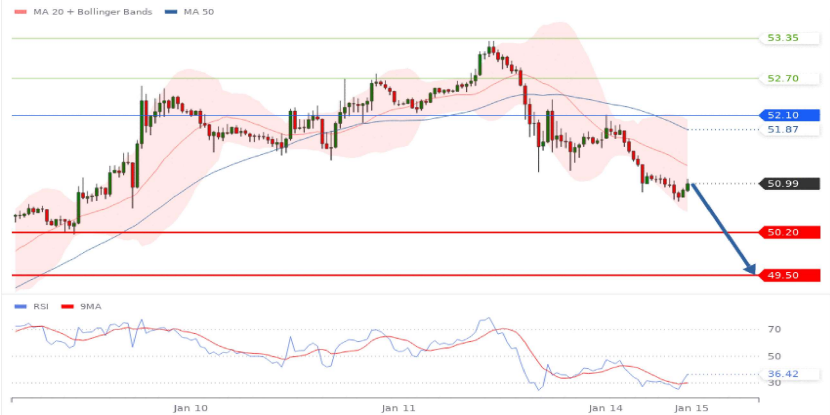
- Brent crude oil prices fell below \$60 per barrel after Chinese data showed weakening imports and exports
- The energy markets and the stock markets are experiencing incredible volatility
- Six months ago, when oil prices were pushing above \$70/bbl, it makes a more conservative oil price prediction for 2019
- Producer price inflation has decelerated for six consecutive months
- December shipments into China, the world's top crude oil buyer, were at 43.78 million tonnes, or 10.31 million barrels per day

### 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 fell by 1 percent today, with Brent crude slipping below \$60 per barrel, after Chinese data showed weakening imports and exports in the world's biggest trading nation and second-largest crude oil consumer.
- International Brent crude oil futures were at \$59.88 per barrel, down 60 cents, or 1 percent from their last close. U.S West Texas Intermediate crude futures were down 59 cents, or 1.1 percent, at \$51 a barrel.
- China's overall exports fell by 4.4 percent in December from a year earlier, the biggest monthly drop in two years, official data showed, pointing to further weakening in the world's second-largest economy. Imports also contracted, falling 7.6 percent, the biggest decline since July 2016.
- In the United States, drillers cut four oil rigs in the week to Jan. 11, bringing the total count down to 873, energy services firm Baker Hughes said in a weekly report on Friday.
- Saudi Arabia-led OPEC and its non-member allies led by Russia agreed to collectively cut production by a total of 1.2 million barrels per day during the first six months of 2019 in an effort to stave off a global glut in supplies.
- Fresh weekly data on U.S commercial crude inventories and production activity will capture the market's attention this week. The Energy Information Administration reported last week that domestic crude supplies declined by 1.7 million barrels.
- Market players will also focus on monthly reports from OPEC and the International Energy Agency this week to assess global oil supply and demand levels.

### 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 went back and forth during the course of the week, falling slightly to close it out. The \$16 level above of course is crucial as it is a large, round, psychologically significant figure. If it can break above there, then it will bring fresh money into the market and push towards higher levels, specifically the \$17 level eventually. At the 20 EMA, it is at the \$15 level, and is starting to turn higher. The \$15 level should be massive support, and a break down below there would of course change the lot of things. With the Federal Reserve stepping away from its hawkish stance over the last couple of weeks, this of course has put some bearish pressure on the US dollar. That in turn has lifted the Silver markets, giving them a bit of a reprieve and some momentum to the upside. The value hunters will continue to be attracted to pullbacks.

Pivot:	15.65		
Support	15.52	15.45	15.40
Resistance	15.78	15.72	15.65

Source: FX EMPIRE

### Highlights

- Silver inched down 0.1 percent to \$15.58 an ounce
- The dollar index dipped 0.2% on Friday after pulling up from three-month lows at 94.62 yesterday
- Healthy orders from industrial units and coin makers lifted silver prices
- Silver for delivery in March traded higher by 0.09 per cent
- US dollar is hurt by expectations the Fed might avoid rate hikes this year as the economy slows down

### 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 tilted lower in Asian trade while the dollar index tapered off for the day, following earlier data from China, the world's largest metals consumer, while a partial US government shutdown is in its fourth week.
- Silver futures due in March fell 0.33% to \$15.61 an ounce, while the dollar index dipped 0.12% to 95.55. Earlier Chinese data showed the trade surplus up to 395 billion yuan, or \$57.1 billion, from \$44.7 billion in November, beating estimates of \$51.6 billion.
- The price action in precious metal markets is more subdued. The white metal currently trades at \$15.68 per ounce, down 0.4% on the week. However, the U.S Dollar Index did hit a 3-month low on Wednesday.
- US treasury secretary Steven Mnuchin said on Friday he expects Chinese Deputy Prime Minister to carry on US-China trade talks by the end of the month, noting how the talks will take in consideration an extension to the deadline of tariffs.
- China's trade ministry stated that Beijing and Washington will carry on talks that started last week, describing them as detailed and in-depth regarding some hanging issues, with investors moving their gaze towards the Brexit vote in the UK Parliament.
- The metal has been climbing steadily for most of the past three years. Things got off to a rough start in 2018, but since the middle of August, prices have rallied more than 30% and back to all-time highs. Dollar is hurt by expectations the Fed might avoid rate hikes this year as the economy slows down.

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	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, January 14, 2019



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Jan 14	05:00	AUD TD Securities Inflation (YoY) (DEC)	Medium	1.9%		1.6%
Mon Jan 14	08:03	CNY Trade Balance (DEC)	Medium	\$57.06b	\$51.60b	\$44.74b
Mon Jan 14	12:00	EUR German Wholesale Price Index (MoM) (DEC)	Low	-1.2%		0.2%
Mon Jan 14	14:00	CHF Total Sight Deposits CHF (JAN 11)	Low	575.19b		574.0b
Mon Jan 14	15:00	EUR Euro-Zone Industrial Production w.d.a. (YoY) (NOV)	Medium	-3.3%	-2.1%	1.2%
Mon Jan 14	18:30	CAD Teranet/National Bank HPI (MoM) (DEC)	Low			-0.3%
Mon Jan 14	18:30	CAD Teranet/National Bank HPI (YoY) (DEC)	Low			3.1%
Mon Jan 14	21:30	USD U.S. to USD39 Bln Sell 3-Month Bills	Low			
Mon Jan 14	21:30	USD U.S. to Sell USD36 Bln 6-Month Bills	Low			

Source: Forex Factory, DailyFX

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