

Gold

Technical

Gold markets fell fairly significantly during the day on Friday in reaction to the nonfarm numbers. However, we do have a significant amount of support just below at the \$1200 level, so it is possible that we get a bounce fairly soon. Because of this we are a bit hesitant to short this market, but don't have a reason to start buying quite yet. Keep an eye on the US dollar, as gold seems to move inverse of it these days, and if the US dollar falls in value, gold should get a bit of a boost and vice versa. June Comex Gold futures finished unchanged on Friday. Earlier in the week, it finished only 50 cents higher for the month after reaching its highest level since January 2015, avoiding a monthly closing price reversal top. This indicates investors may not be buying into the so-called bull market.

Pivot:	1,217		
Support	1,209	1,202	1,195
Resistance	1,224	1,229	1,235

Highlights

- Gold fell more than 1 percent on Friday after US payrolls data for March beat expectations
- US employers added 215,000 jobs in March, the report showed, against expectations for 205,000
- US gold futures for June delivery were down \$18.90 an ounce at \$1,216.50
- The metal saw its biggest quarterly rise in nearly 30 years
- Expectations faded that the Fed would move to normalise interest rates after their first increase in nearly a decade

Gold - Technical Indicators

RSI 14	50.74
SMA 20	1,243.54
SMA 50	1,217.50
SMA 100	1,148.93
SMA 200	1,136.16

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold extended losses on Monday after a better-than-expected US jobs report signalled strength in the economy and stoked speculation the US Federal Reserve could raise interest rates soon.
- Bullion's recent losses take it closer towards the key \$1,200 an ounce level, a breach of which could trigger technical selling. Spot gold had eased 0.5 per cent to \$1,215.48 an ounce today, after dropping 0.8 percent on Friday.
- Gold posted its biggest quarterly rise in nearly 30 years in the March quarter, rallying 16 per cent as expectations faded that the Fed would move to normalize interest rates due to concerns over the global economy. The US central bank raised rates in December for the first time in nearly a decade.
- The metal is highly exposed to rising rates, which lift the opportunity cost of holding non-yielding assets, while boosting the dollar. Data on Friday showed nonfarm payrolls rose by 215,000 last month, higher than expectations of 205,000, underscoring the strength in the US economy.
- US interest rate futures suggested traders are now betting the Fed will next raise rates as soon as November, versus December ahead of the report. Wall Street's top banks held firm to their expectation for a rate hike in June, according to a Reuters survey conducted on Friday.
- Investor positioning in gold is largely bullish. Hedge funds and money managers boosted their bullish bet in gold in the week to March 29, to the highest since the end of 2012, US Commodity Futures Trading Commission data showed on Friday.
- Assets in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.15 per cent to 818.09 tonnes on Friday, but remain near the highest in over two years. In the wider markets, Asian share prices held firm on Monday after solid US payroll data underpinned investor risk sentiment.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	227381	82403	73%	120854	284003	30%	49448	31277	61%	384,974
01- Mar-16	223186	70773	76%	115571	287002	29%	51148	36,819	61%	450555
08- Mar-16	252895	78085	76%	116493	311865	27%	53520	32958	62%	499110
15- Mar-16	247659	78147	76%	118610	304141	28%	49810	33791	60%	493086
22- Mar-16	258646	79815	76%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market initially tried to rally but then fell significantly. Because of this, it looks as if we are getting ready to continue to fall, so once we break below the \$36 level, the market should then look for the \$34 level after that. Ultimately, rallies will more than likely be sold off as well, and with that we remain very bearish of this market. With this, the market is one that should be continue to offer plenty of opportunities to go short. The \$42 level above should continue to be a massive ceiling in this market, and the oversupply continues to simply weigh upon the trend far too much for this strong move higher to continue that we've seen recently. Having said that, look for signs of exhaustion as an opportunity to take advantage of failed rallies. Crude oil prices fell 3% on Friday drooping through the 37-dollar handle following a weaker than expected Japanese Tankan report.

Pivot:	36.54		
Support	35.40	34.50	33.00
Resistance	37.70	38.38	39.07

Highlights

- Iran's oil minister on Sunday said the country's oil exports jumped again in March
- Organization of the Petroleum Exporting Countries are set to meet with nonmembers like Russia on April 17 in Doha to hash out a production freeze
- Sentiment towards the US economy received a boost during trading on Friday
- Stable NFP figure of 215k displayed signs of US labor market resilience
- On the New York Mercantile Exchange, crude oil for delivery in May dropped 0.90% to \$36.37 a barrel

Crude - Technical Indicators

RSI 14	51.62
SMA 20	38.90
SMA 50	34.64
SMA 100	34.81
SMA 200	39.81

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Crude collapsed during trading last week following the unexpected statement from Saudi Arabia stating that any output deals would be dependent on Iran's participation, which consequently crumbled expectations of a successful meeting in Doha. This paradox of a scenario comes at a time when Iran is engaged in a self-fulfilling quest to boost its output by 4 mbpd in a market already oversupplied by 2mbpd.
- The cocktail of events in Q1 almost make it seem like OPEC had no real intention in curbing output, but instead exploited the explosive levels of volatility to generate speculative boosts in oil prices.
- Sentiment remains bearish towards WTI and with elevated concerns over the excessive oversupply haunting investor attraction, any recovery in prices may have been sabotaged.
- Last week, oil futures fell sharply on Friday, after the Saudi deputy crown prince said the kingdom will not cap output unless Iran and other major producers do so, casting doubts over whether a highly awaited production freeze will happen.
- Saudi Deputy Crown Prince Mohammed bin Salman insisted that the kingdom will resist any agreement to cap its output unless the pact is also signed by their Iranian rivals.
- Producers from the Organization of the Petroleum Exporting Countries and non-members are due to meet in Doha, Qatar later this month to discuss an output freeze. But it isn't clear exactly which, or how many, OPEC and non-OPEC members will attend the meeting.
- According to the U.S. EIA, crude oil inventories rose by 2.3 million barrels last week to a record-high of 534.8 million barrels. Since falling to 13-year lows at \$26.05 on February 11, U.S. crude futures have rebounded by 40% as a decline in U.S shale production boosted sentiment.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01- Mar-16	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
08- Mar-16	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
15- Mar-16	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
22- Mar-16	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets initially rallied during the course of the week but turned around to form a shooting star. This of course is a very negative candle, but in the overall scheme of things we seem to be simply bouncing around the previous consolidation area that we have been in for some time. Silver markets seem to be very comfortable between the \$14 level on the bottom and the \$16 level on the top, so at this point in time there doesn't seem to be any reason to be trading this market from the longer-term perspective. The \$14.80 level below continues to be supportive, so it's very likely that we will get buyers sooner or later. The \$14.60 level looks especially interesting for support, so having said that we are simply waiting to see whether or not we get a supportive candle that we can buy. This market has been very consolidated between the \$12 level on the bottom and the \$14 level on the top.

Pivot:	14.94		
Support	14.76	14.60	14.49
Resistance	15.14	15.26	15.33

Highlights

- Silver futures for May delivery tumbled 41.8 cents, or 2.7%, on Friday to settle at \$15.04 a troy ounce
- Concerns about global economic slowness have prompted risk-averse investors to seek safe haven in the metal
- Silver-backed exchange-traded products (ETPs) jumped 845.6 metric tons in March, heading for the biggest monthly increase since August 2013
- Investors are worried about the economic slowdown in China
- Silver price has rallied 12% so far this year, lagging behind gold's 17% gain

Silver - Technical Indicators

RSI 14	49.38
SMA 20	15.48
SMA 50	15.21
SMA 100	14.64
SMA 200	14.84

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver futures for May delivery tumbled 41.8 cents, or 2.7%, on Friday to settle at \$15.04 a troy ounce after hitting a session low of \$14.78, a level not seen since March 2. On the week, silver futures lost 11.0 cents, or 0.75%.
- Upbeat U.S. employment and manufacturing data sparked speculation the Federal Reserve might raise interest rates sooner and faster than expected. The U.S. Labor Department reported Friday that the economy added 215,000 jobs last month, exceeding expectations for a gain of 205,000.
- Average hourly earnings increased by a more-than-expected 0.3%, while the unemployment rate ticked up to 5.0% from an eight-year low of 4.9%, as more people entered the labor force.
- Other pieces of data released Friday included the ISM manufacturing index for March, which came in above estimates at 51.8. Separately, the University of Michigan said that its consumer sentiment index hit 91.0 in March, up from a previously estimated reading of 90.0.
- The upbeat data bolstered the argument that growth in the U.S. is strong enough for the Fed to raise interest rates in coming months. Investors also digested hawkish comments from Cleveland Fed President Loretta Mester. In prepared remarks, she said that the Fed should still raise interest rates gradually this year given the economy's resilience.
- The dovish comments were in direct contrast to recent hawkish remarks by other FOMC members, who suggested another move on interest rate may be just around the corner.
- Market players shrugged off data showing that manufacturing activity in China swung into expansion territory for the first time since August this month. China's official manufacturing purchasing managers' index rose to 50.2 in March from 49.0 the previous month.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01- Mar-16	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
08- Mar-16	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
15- Mar-16	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
22- Mar-16	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Monday, April 04, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Apr 04	04:50	JPY Monetary Base (YoY) (MAR)	medium	28.5%		29.0%
Mon Apr 04	06:00	AUD TD Securities Inflation (YoY) (MAR)	medium	1.7%		2.1%
Mon Apr 04	06:30	AUD Retail Sales s.a. (MoM) (FEB)	medium	0.0%	0.4%	0.3%
Mon Apr 04	06:30	AUD Building Approvals (YoY) (FEB)	medium	-9.0%	-9.1%	-14.5%
Mon Apr 04	13:30	GBP Markit/CIPS UK Construction PMI (MAR)	medium	54.2	54.1	54.2
Mon Apr 04	14:00	EUR Euro-Zone Unemployment Rate (FEB)	medium	10.3%	10.3%	10.4%
Mon Apr 04	19:00	USD Factory Orders (FEB)	medium		-1.8%	1.6%
Mon Apr 04	19:00	USD Durable Goods Orders (FEB)	medium		-2.8%	-2.8%
Mon Apr 04	19:00	USD Durables Ex Transportation (FEB)	low		-1.0%	-1.0%

Source: Forex Factory, DailyFX

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