

## Gold

### Technical

Gold prices dropped as the dollar gained ground, as prices were unable to recapture resistance near the 10-day moving average at 1,335. Support on the yellow metal is seen near the 50-day moving average near 1,312. Momentum has turned negative as the fast stochastic generated a crossover sell signal. Prices remain range bound and will need to break above 1,366 or below 1,302 to generate a trend. Despite a rebound in jobless claims and more layoffs in the U.S than expected. Weaker than expected German manufacturing data weighed on the Euro, paving the way for lower gold prices. If it break down below the \$1320 level, the market should then go down to the \$1310 level next. It is also supportive, and would be interested in buying. Market seems to be a bit skittish as of late, but sometimes gold is used as a haven away from the problems of the geopolitical world.

Pivot:	1,327		
Support	1,322	1,319	1,314
Resistance	1,333	1,337	1,342

Source: FX EMPIRE

### Highlights

- Gold settles lower as trade war between U.S and China took a back seat
- For longer-term, towards the \$1350 level, an area that has been resistance in the past
- Trading around the jobs report will cause a mass amount of volatility in the US dollar, which of course will cause a mass amount of volatility here
- With fears of trade wars, its possible that a few headlines could come out to move gold markets higher
- Resistance level for gold is around \$1,350 and \$1,360 an ounce

### Gold - Technical Indicators

RSI 14	33.74
SMA 20	1,263.6
SMA 50	1,291.6
SMA 100	1,287.1
SMA 200	1,300.1

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices dropped yesterday as safe-haven demand eased for bullion after the United States and China signaled willingness to negotiate a trade dispute instead of hitting each other with tariffs that might slow economic activity in both countries.
- Trade tensions have moderated overnight a little bit and equities are higher, and that puts pressures on the precious metals. Investors put money back into equities, sending global stock markets higher, while the dollar strengthened, making gold more expensive for users of other currencies
- The slide in gold prices created a negative technical picture that encouraged further selling. Spot gold declined 0.5 percent at \$1,325.81. During the session, gold hit a one-week low of \$1,322.40. U.S gold futures for June delivery settled down \$11.70, or 0.9 percent, at \$1,328.50 per ounce.
- A firming of the U.S currency dented dollar-pegged gold, as such gains can make commodities less attractive to buyers using other currencies. It's all about the dollar. So, market players are looking at two things, they are looking at the dollar and they are also looking at that gold resistance level.
- Gold is sensitive to rising rates because they push up bond yields, reducing the attractiveness of non-yielding bullion, and tend to boost the dollar, in which gold is priced.
- Investors were looking to U.S jobs data for new direction on prices. Strong employment and wage growth would encourage the U.S Federal Reserve to raise U.S interest rates more aggressively and push gold prices lower.
- Trading volumes were likely to be lower however with markets in mainland China, the world's largest gold consumer. That \$1,350 to \$1,360 has been a pretty stubborn resistance level and there hasn't been enough of a catalyst to push it through there.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
12/08/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
12/15/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
12/12/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
12/29/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

Crude oil prices edged higher yesterday, climbing 0.7%, but were unable to recapture resistance near the 10-day moving average at 64.40. Support on crude oil is seen near an upward sloping trend line that comes in near the April lows at 62.15. Prices action has been sideways as crude has been unable to pierce through target resistance which has formed a double top at the January and March highs at 66.66. Momentum is neutral as the MACD (moving average convergence divergence) histogram print near the zero-index level with a flat trajectory which reflects consolidation. The RSI (relative strength index) is also moving sideways and printing a reading of 52, which is in the middle of the neutral range and also reflects consolidation. Refineries are importing crude oil from other countries in order to insulate themselves from possible US-imposed sanctions.

Pivot:	63.14		
Support	62.70	62.10	61.60
Resistance	63.88	64.35	64.90

Source: FX EMPIRE

### Highlights

- Crude oil prices edged higher as imports continue to climb as refiners ramp up their operations
- Oil jumps up with equities, whereas Saudi Arabia hiked crude prices
- U.S production hit a new high last week. The extent to which it counterbalance output cuts from the OPEC will be critical
- Increase in U.S production up to 10.47 million barrels per day, this increase has been easily offset by a decline in imports
- U.S crude stocks unexpectedly declined by 4.6 million barrels on Wednesday

### Crude - Technical Indicators

RSI 14	31.91
SMA 20	48.72
SMA 50	48.27
SMA 100	51.11
SMA 200	56.32

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices rose yesterday, helped by gains in U.S equities markets and Saudi Arabia's unexpected hike in crude prices, though crude's advance was curbed by strength in the dollar.
- Brent crude futures gained 31 cents, a gain of 0.5% to settle at \$68.33 a barrel, and U.S West Texas Intermediate crude rose 17 cents or 0.3% to settle at \$63.54 a barrel.
- Oil prices drew support as Wall Street rose. Equities investors shrugged off fears of an escalating trade conflict between the United States and China and looked forward to the quarterly earnings season. U.S crude stockpiles fell by 4.6 million barrels last week, in the biggest weekly decline since January.
- Oil prices are profiting from the general brightening of sentiment on the markets as signs emerge that the trade dispute is easing between the U.S and China. Moreover Saudi Arabia announced that it would increase its official selling prices of May crude, and the move supported prices.
- The U.S dollar rose to its highest in more than one month against a basket of major currencies. Because oil is dollar-priced, a stronger greenback makes purchases in other currencies more expensive.
- Oil supplies are signaling strong demand as oil inventories fall when they should be rising. The inventory drawdown came as a result of "stronger exports, as well as a pick up in refinery utilization.
- At the same time, oil prices are profiting from the general brightening of sentiment on the markets as signs emerge that the trade dispute is easing between the U.S. and China. The global economy will suffer, stocks markets will crash and they will bring oil prices down with them, as oil demand will be adversely effected.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
12/08/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
12/15/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
12/12/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
12/29/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

## Silver

### Technical

Silver markets broke down a bit during the trading session yesterday, reaching towards the \$16.20 level, which could extend down to the \$16 level. The market continues to be well contained, so it might anticipate that nothing is going to change. Economists believe that the market will probably go looking towards the \$16.50 level, which is the next psychological barrier. Buying on pullbacks continues to be the way forward, and eventually we should not only reach towards the \$16.50 level above, but a break above there should send this market towards the \$16.75 level. Because of this, market is sets up quite nicely for a futures account, if you have one. Otherwise, use the CFD markets as they offer the ability to trade various sizes in a market that should be very volatile, but has levels that are obvious. It seems that silver markets will benefit from a “risk on” move.

Pivot:	16.34		
Support	16.17	16.08	16.00
Resistance	16.44	16.51	16.66

Source: FX EMPIRE

### Highlights

- Precious metals retreated today in Asian session ahead of U.S payrolls data
- U.S President Donald Trump reignited trade war fears by proposing \$100 billion in new tariffs on China
- The U.S Dollar is on a track for a second week of gains
- The Non Farm Payrolls report is expected to show U.S job growth slowed in March, a Reuters poll showed
- Silver was down 0.3 percent at \$16.30 an ounce today, while platinum was 0.1 percent lower

### Silver - Technical Indicators

RSI 14	37.92
SMA 20	16.60
SMA 50	17.09
SMA 100	17.05
SMA 200	16.83

Source: FX EMPIRE

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver drifted lower during the trading session yesterday, reaching down towards the \$16.20 handle. At this point the market is probably just going to continue in the overall consolidation that we have been in for some time. Initial U.S jobless claims jumped by 24,000 to 242,000 in the seven days ended, but remains extremely low and reflect the best labor market in decades.
- The prices will be driven by four factors in 2018 that are increased market volatility, a rotation into defensive assets, a growing global middle class and growing market transparency. May silver used both for industrial purposes and as a financial asset, added 10.1 cents, or 0.6%, at \$16.355 an ounce
- CFD markets as they offer the ability to trade various sizes in a market that should be very volatile, but has levels that are obvious. Ability for CFD trading gives the ability to facilitate larger positions for scalping, and smaller positions for investing.
- The metal had settled slightly higher on Wednesday after China said it would impose tariffs of up to 25% on 106 American categories of products, elevating tensions in a simmering trade conflict between Washington and Beijing.
- Silver prices are expected to rise as mining exploration struggles to find enough new discoveries to add to the global reserves. Meanwhile silver dropped in February as prices struggled to find momentum, according to the latest trade data from the London Bullion Market Association.
- For the silver market, the LBMA said that the volume of ounces transferred in February fell by 24% for the month to 233.4 million ounces. The drop in trade data comes as prices dropped almost 3% from January.
- The value of silver ounces transferred was \$3.89 billion, 26% lower. The number of transfers in February was 954, 13% lower than the previous month with the clearers settled on average 244,719 ounces per transfer.

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	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/08/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/15/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/12/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
12/29/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Friday, April 06, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri, April 06	17:30	USD Change in Non-farm Payrolls (MAR)	High		185k	313k
Fri, April 06	17:30	USD Change in Private Payrolls (MAR)	Medium		195k	287k
Fri, April 06	17:30	USD Change in Manufact. Payrolls (MAR)	Low		24k	31k
Fri, April 06	17:30	USD Unemployment Rate (MAR)	High		4.0%	4.1%
Fri, April 06	17:30	USD Average Hourly Earnings (YoY) (MAR)	Medium		2.7%	2.6%
Fri, April 06	17:30	USD Average Weekly Hours All Employees (MAR)	Medium		34.5	34.5
Fri, April 06	17:30	CAD Unemployment Rate (MAR)	High		5.8%	5.8%
Fri, April 06	22:00	USD Baker Hughes U.S. Rig Count (APR 6)	Medium			993
Fri, April 06	22:30	USD Fed Chairman Powell to Give Speech on Economic Outlook	High			

Source: Forex Factory, DailyFX

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