

## Gold

### Technical

Gold markets broke out yesterday, clearing the \$1350 level to the upside, reaching towards the \$1365 level. Economists think that if it can continue to go higher, its likely that it will probably go towards the \$1375 level, and then eventually the \$1400 level. If it can break above there, the market will be free to go in more of a “buy-and-hold” scenario. Market players believe that the \$1350 level could be a significant support of level. There’s a lot of noise between there and the \$1325 level underneath, offering a lot of support. On the breakout above, it could go as high as \$1800, and then possibly even the \$2000 level after that. The US dollar has its influenced as usual, so if it falls and loses a bit of value, the gold markets will rally. It shows that the overall attitude of the market will continue to be positive, but it will take a lot of confidence to finally go to those lofty levels.

Pivot:	1,350		
Support	1,345	1,338	1,331
Resistance	1,359	1,365	1,376

Source: FX EMPIRE

### Highlights

- Gold off 11 weeks high after FED signal more rate hikes
- FED policy makers felt the U.S economy would firm further and inflation would rise in coming months
- Gold is sensitive to rising U.S interest rates as the metal does not pay interest and rising rates make interest-bearing investments more attractive
- Gold is getting support with Syria tensions along with the weaker dollar
- Gold is often perceived as a safe store of value during times of political and financial uncertainty

### 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 eased off multi-week highs yesterday as minutes from the Federal Reserve's last policy meeting raised expectations of a faster pace of U.S rate hikes, but concerns about possible U.S military action against Syria limited losses.
- After rising for four previous sessions, spot gold was down 0.2 percent at \$1,350.70 an ounce and U.S gold futures fell 0.4 percent to \$1,354.5 an ounce.
- All of the Federal Reserve's policymakers felt that the U.S economy would firm further and that inflation would rise in the coming months, minutes of the central bank's last policy meeting.
- Higher interest rates discourage the buying of non-interest-paying bullion, which is priced in dollars. Yesterday, gold rose 1 percent and hit a high of \$1,365.23 an ounce, its highest since Jan. 25.
- Volatility is expected to remain high, while gold will stay supported so as long as U.S military option remains on the table, gold will continue bid. But it could see higher prices, if both the United States and Israel get drawn into the fracas siding with Saudi Arabia in Riyadh escalations with Tehran. A test of \$1,400+ would be on the cards immediately.
- U.S President Donald Trump warned Russia of imminent military action in Syria over a suspected poison gas attack, declaring that missiles "will be coming" and lambasting Moscow for standing by Syrian President Bashar al-Assad.
- Gold is often used as a store of value during times of financial or political uncertainty. Also underpinning bullion were lingering worries about a trade war between China and the United States. China will not hesitate to fight back if the United States escalates its trade spat with Beijing.

### 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 markets rallied significantly yesterday again, breaking above the \$66 level, an area that might was a major resistance level. If it can break above the recent highs at the \$67.50 level. Short-term pullback should be buying opportunities, with the \$65 level being support. If it break down below there, then might the market would go looking towards the \$64 level next, and then possibly the \$63 level. Brent markets also rallied yesterday, reaching towards the \$73 level. That is a large, round, psychologically significant number, so might have pulled back just a little bit. It seems that there is plenty of support underneath though, extending down to at least the \$70 level, an area that will have a certain amount of psychological importance, as well as structural importance. It also have the uptrend line underneath on the daily chart that has acted as support.

Pivot:	67.13		
Support	66.30	65.20	64.35
Resistance	68.00	68.80	69.30

Source: FX EMPIRE

### Highlights

- U.S crude rose to its highest level since December 2014. U.S crude rose 2.4 percent, or \$1.54 a barrel, to \$67.06, on heavy volume
- Crude oil is running through the refineries and the demand for product is also at an all time record
- Ongoing trade disputes between the United States and China also kept markets on edge
- Geopolitical risks outweighed an unexpected rise in inventories in the U.S
- Oil markets were tensed on concerns of a military escalation in Syria, but prices were some way off

### 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

- U.S crude stocks rose unexpectedly last week as imports jumped and production increased to another weekly record. Crude inventories rose by 3.3 million barrels in the week ended April 6, as compared with analyst's expectations for a decrease of 189,000 barrels.
- Net U.S crude imports rose last week by 1.7 million barrels per day to 8.65 million bpd. However, the overall four-week average of U.S imports has remained relatively stable from the same period a year ago. Weekly production topped 10.5 million bpd for the first time, whereas monthly figures for December and January put production sharply lower than the weekly estimates.
- Refinery crude runs rose by 83,000 barrels per day. Refinery utilization rates rose by 0.5 percentage points, bringing overall capacity utilization to 93.5 percent for the nation's refiners, the highest level seasonally since 2005.
- In its monthly short-term energy outlook, it forecast that U.S crude oil output will rise by 750,000 barrels per day to 11.44 million bpd next year. Last month, it expected a 570,000 bpd year-over-year increase to 11.27 million bpd.
- Oil prices dropped immediately after the report, as market players focused on escalating tensions in Syria, after President Donald Trump threatened a missile attack following a chemical weapons attack there this week.
- Brent and WTI hit their highest since 2014 of \$73.09 and \$67.45 per barrel respectively, after Saudi Arabia said it intercepted missiles over Riyadh and U.S President warned Russia of imminent military action in Syria.
- U.S crude oil production last week hit a fresh record of 10.53 million barrels per day, up by a quarter since mid-2016. The United States now produces more crude than top exporter Saudi Arabia. Only Russia, at currently just under 11 million bpd, pumps out more.

### 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



# Commodity News

Thursday, April 12, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs April 12	06:00	AUD Consumer Inflation Expectation (Apr)	Medium	3.6%		3.7%
Thurs April 12	17:30	CAD New Housing Price Index (YoY) (Feb)	Medium			3.2%
Thurs April 12	17:30	USD Initial Jobless Claims (Apr 7)	Medium		230k	242k
Thurs April 12	17:30	USD Import Price Index ex Petroleum (MoM) (Mar)	Medium		0.3%	0.5%
Thurs April 12	17:30	USD Continuing Claims (Mar 31)	Medium			1808k
Thurs April 12	17:30	USD Export Price Index (YoY) (Mar)	Medium			3.3%
Thurs April 12	19:30	USD EIA Natural Gas Storage Change (Apr 6)	Low			-29
Thurs April 12	21:00	EUR ECB's Weidmann Speaks on Strengthening Euro	High			
Thurs April 12	22:00	USD U.S. to Sell USD13 Bln 30-Year Bonds Reopening	Low			

Source: Forex Factory, DailyFX

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