

Gold

Technical

Gold prices edged higher in yesterday's trading session but most of the safe haven assets were under pressure, which somewhat capped the upside for the precious yellow metal. Prices are poised to test resistance near the March highs at 1,280. Support is seen near the March lows at 1,225. Momentum on gold has turned positive as the MACD (moving average convergence divergence) index generated a buy signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses above the 9-day moving average of the spread. The index moved from negative to positive territory confirming the buy signal. The relative strength index (RSI) moved higher with price action reflecting accelerating positive momentum.

Pivot:	1,247		
Support	1,239	1,232	1,225
Resistance	1,263	1,271	1,280

Highlights

- Gold dipped below a three-week high as the dollar regained some ground
- Spot gold eased 0.3 percent to \$1,252.21 an ounce, following a 0.2 percent dip yesterday
- The metal jumped to a three-week high of \$1,262.60 yesterday
- Gold is tracking the dollar-yen move, but there is still some upside
- Gold had its best quarter in 30 years with the Dollar on the back foot as investors scaled back expectations of rate hikes

Gold - Technical Indicators

RSI 14	58.80
SMA 20	1,235.14
SMA 50	1,230.69
SMA 100	1,157.36
SMA 200	1,141.12

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold slipped from the previous day's three-week high on Wednesday as European stocks jumped after upbeat Chinese trade data allayed concerns over the outlook for its economy, and as the dollar regained some poise.
- The U.S. dollar rose 0.6 percent against a currency basket, having slid to its lowest in nearly 8 months in the previous session, while stocks jumped 2 percent. Spot gold was down 0.9 percent at \$1,244.25 an ounce, while U.S. gold futures for June delivery were down \$14.00 an ounce at \$1,246.90.
- The metal reached its strongest since March 18 on Tuesday at \$1,262.60 an ounce as the dollar slid, but struggled to maintain those gains as the U.S. currency rebounded and stock markets rose.
- Stronger equities and a relatively stronger dollar have put some pressure on gold, but it has still held nicely and we are bouncing back up a bit. But overall, we couldn't break \$1,265 on the upside yesterday, and gold looks like a good buy around \$1,240, so I would say that that is the trading range.
- Gold had its strongest quarter in 30 years in the three months to March, with the dollar on the back foot as investors scaled back expectations of rate hikes by the Federal Reserve. The dollar has shed over 4 percent versus a basket of currencies this year.
- Fed policymakers signalled in December that four hikes would probably be needed this year, but cut their view in March to two rate increases for 2016. Markets are factoring in only one rate hike, but comments from two Fed officials on Tuesday added to the uncertainty.
- The Fed could reasonably raise interest rates two or three times this year, San Francisco Fed President John Williams said, adding that he does not expect much market turmoil when it does. The Fed will likely have to raise interest rate around four times this year, Richmond Fed President Jeffrey Lacker 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	
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 markets rose during the course of the session on Tuesday, breaking above the recent high. Because of this, the market should continue to much higher, at least in the short-term. However, the crude market have a significant amount of importance based upon the April 17 session and the subsequent meeting in Doha. The question of course is whether or not the oil producing countries can settle on a production freeze, and at this point in time investors have to feel that most traders will have counted on this. If they don't, that will be an absolutely catastrophic turn around in this market, so this point in time the reaction to that announcement might be short and could possibly be a "sell on the news" type of situation. Having said that, the short-term it looks like the buyers are going to continue to run the market. The MACD has also generated a buy signal.

Pivot:	41.60		
Support	40.30	39.20	38.25
Resistance	42.50	43.20	44.20

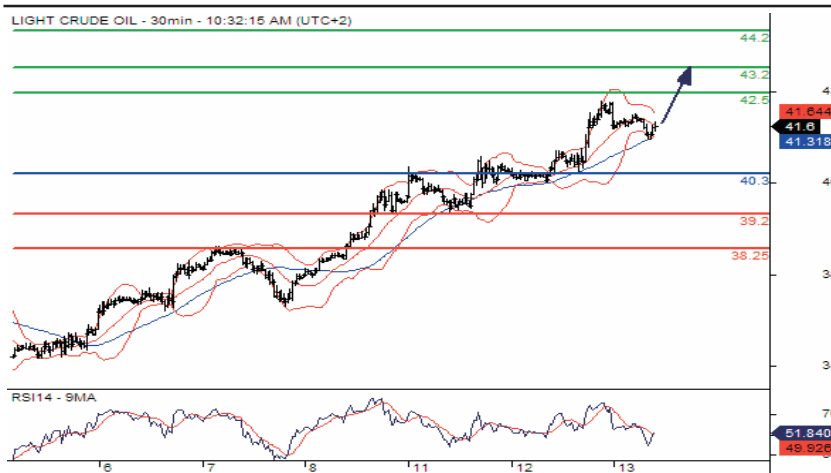
Highlights

- US crude futures have moved higher in yesterday's trading session
- The NFIB Small Business Index beat expectations, while Import Prices missed the estimate yesterday
- The markets will be treated to three key releases today – Core Retail Sales, Retail Sales and PPI
- US crude prices surged 10 percent last week and the upward move has continued as crude prices are above the \$41 level
- The markets are keeping a close eye on a meeting of oil producers in Doha, Qatar on Sunday

Crude - Technical Indicators

RSI 14	54.48
SMA 20	39.71
SMA 50	36.25
SMA 100	35.59
SMA 200	39.50

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Crude-oil prices lost steam Wednesday, as conflicting expectations for key producers to agree on a production freeze keep the market in a volatile mode. On the New York Mercantile Exchange, light, sweet crude futures for delivery in May traded at \$41.66 a barrel, down 51 cents, or 1.2%, in the Globex electronic session.
- On Tuesday, oil futures rallied to the highest settlement of the year on speculation that Saudi Arabia and Russia have reached a deal to stabilize production, ahead of a meeting of key oil producers in Doha, Qatar, this weekend.
- But comments on Wednesday from Saudi Arabia Oil Minister Ali al-Naimi played down the prospect of oil producers taking action on crude output at the meeting on Sunday in Doha. When asked about such action, al-Naimi reportedly said, "Forget about this topic."
- The global oil market has been in the doldrums for nearly two years due to oversupply. Despite the extended collapse in prices, those inside and outside of the Organization of the Petroleum Exporting Countries have been reluctant to scale back production fearing the loss of market share.
- In other OPEC news on Wednesday, the group's monthly report highlighted upcoming support for the market "from gasoline demand ahead of the driving season."
- Low oil prices have led to investment cuts by upstream companies as well as bankruptcy among the smaller players. But production, albeit declining, is still growing at a faster pace than demand.
- Expectations for the meeting in Doha are largely mixed. Some market watchers believe holding production at January or February levels would eventually allow time for demand to catch up. Investors and traders will be eyeing the weekly U.S. crude production and inventories data for cues.

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 had a very volatile session, but we did break to a fresh, new high at one point during the day. Because of this, we believe that the market will probably continue to go higher, although we are certainly going to have to try to build up momentum in order to break out to the upside. At this point, we have no interest whatsoever in selling, and look at pullbacks as potential value in a market that certainly seems like it's trying to build up strength to finally go much higher over the longer term. From a technical point of view, silver's current yearly high of \$16.29 is capping price. Beyond the \$16.29 high the October 28 high of \$16.38 is the next level of resistance, following the June 2, 2015 high of \$16.88. Traders who are looking for a strong support level will notice that silver prices are trading far away from the last major low, namely the April 1 low of \$14.81.

Pivot:	16.09		
Support	15.93	15.75	15.52
Resistance	16.21	16.45	16.63

Highlights

- Silver prices have traded lower following lower demand for haven assets
- U.S Retail Sales are on deck today and may impact silver via the USD
- The gold/silver ratio, which measures the number of silver ounces needed to buy an ounce of gold, hit its lowest in two months
- Speculation that U.S interest rates will stay low also helped gold and silver in their own right
- Negative yields remain the key reason for buying silver

Silver - Technical Indicators

RSI 14	47.96
SMA 20	15.38
SMA 50	15.30
SMA 100	14.70
SMA 200	14.85

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver rose for the fourth straight session, gaining as much as 2 percent to \$16.21 an ounce, the highest for the spot market since Oct. 28. The market may be thinking that inflation's going up so metals are going up. Then you see markets like silver looking like they're going to break out.
- The gold/silver ratio, which measures the number of silver ounces needed to buy an ounce of gold, hit its lowest in two months as silver outperformed gold. An ounce of gold now buys 77.7 ounces of silver, compared with 83.3 ounces in late February.
- Speculation that interest rates will stay low also helped gold and silver in their own right. Rising rates lift the opportunity cost of holding non-yielding assets such as bullion.
- Silver prices have pulled back slightly from their current yearly high of \$16.24 as the demand for safe haven assets are lower following strong global stock markets and a strong USD.
- The higher stock markets are motivated by the return of growth for Chinese exports, which investors see as being both a sign of encouragement and stabilization for the Chinese economy. The USD is, at the time of writing, today's winner with the strongest gains being witnessed vs. funding currencies such as the Swiss Franc, Euro, and the Japanese Yen.
- Going forward the monthly U.S. Retail Sales report is on deck and may influence the price of silver via the USD. Consumer activity is what has been driving the U.S. economy forward while Industrial Production has been contracting. Hence, the Fed is keen on seeing further gains if it is to continue to raise rates.
- Later in the day the Fed releases its Beige Book, which provides further clues as to the state of the U.S. economy. The current yearly high of \$16.29 is capping price.

US Commodity Futures Trading Commission (CFTC) Data

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	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

Wednesday, April 13, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Apr 13	07:22	China Trade Balance (MAR)	medium	\$29.86b	\$34.95b	\$32.59b
Wed Apr 13	14:00	Euro-Zone Industrial Production w.d.a. (YoY) (FEB)	medium	0.8%	1.3%	2.9%
Wed Apr 13	16:00	U.S MBA Mortgage Applications (APR 8)	medium	10.0%		2.7%
Wed Apr 13	17:30	U.S Advance Retail Sales (MAR)	high	-0.3%	0.1%	-0.1%
Wed Apr 13	17:30	U.S Retail Sales Less Autos (MAR)	medium	0.2%	0.4%	-0.1%
Wed Apr 13	19:00	Bank of Canada Rate Decision (APR 13)	high		0.5%	0.5%
Wed Apr 13	19:00	Bank of Canada Releases Monetary Policy Report	high			
Wed Apr 13	19:00	U.S Business Inventories (FEB)	medium		-0.1%	0.1%
Wed Apr 13	19:30	DOE U.S Crude Oil Inventories (APR 8)	medium			357k

Source: Forex Factory, DailyFX

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