



## Crude Oil

### Technical

The WTI Crude Oil market initially tried to rally during the course of the session on Wednesday, but struggled once the market got towards the \$42 level. This was an area that had been resistance in the past, and the fact that we are fighting resistance here isn't that much of a surprise. The market is getting close to the major meeting on the 17th that could decide on oil production freezes. Because of this, market is probably already price most of the bullishness and. The fact that the market is forming a candle that looks very resistive could suggests that we are about to pull back. At this point, it seems like the real danger would be to the downside either due to the fact that we have already "baked in" all of the bullishness, or the meeting produces nothing, which would throw this market downward quickly. In the short-term, looks like we are starting to calm down a bit.

Pivot:	41.21		
Support	40.30	39.20	38.25
Resistance	42.50	43.20	44.20

### Highlights

- Oil prices fell today amid market skepticism about the outcome of a meeting between major producers slated for this weekend.
- Suppliers including Saudi Arabia and Russia, are gathering in Doha on Sunday to discuss curbing their output to support prices
- If there is to be a production freeze the impact on physical oil supplies will be limited
- West Texas Intermediate futures were trading down 0.9% at \$41.37 a barrel
- The talk about the freeze meeting has kept investors on edge in recent weeks

### Crude - Technical Indicators

RSI 14	65.48
SMA 20	39.31
SMA 50	36.18
SMA 100	34.76
SMA 200	39.41

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil traded roughly flat yesterday but remained under pressure after the International Energy Agency trimmed its forecast for demand growth and on signs that a producers' meeting this weekend will not yield a concrete plan to reduce oversupply.
- The International Energy Agency slightly trimmed its estimates for 2016 global demand growth from last month to 1.16 million barrels per day and said a deal to freeze oil production by OPEC and non-OPEC producers will have a limited impact on global supply. This came a day after OPEC cut its forecast for demand growth and warned of further reductions.
- The world's biggest oil producers, including Saudi Arabia and Russia, are scheduled to meet in Qatar on Sunday to finalise a deal reached in February to freeze oil output at January levels, aiming to bolster oil prices. If there is a production freeze, the impact on physical oil supplies will be limited.
- However, Russian oil minister Alexander Novak told a closed-door briefing of energy analysts in Moscow on Wednesday that the deal would be loosely framed with few detailed commitments.
- This suggests producers are unlikely to formally agree to rein in production, which now stands at around 2 million barrels per day (bpd) in excess of demand. It's not going to be an agreement, but a declaration of intent to say that if everything goes well we'll keep production at January levels.
- Underscoring the continuing oversupply, U.S. crude inventories grew by more-than-expected 6.6 million last week, the Energy Information Administration said on Wednesday.
- The latest addition brought commercial stockpiles to a new high of more than 536 million barrels. However, production fell below 9 million barrels a day for the first time since September 2014.

### 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 went back and forth during the day on Wednesday, but ultimately show quite a bit of resiliency and the fact that they are willing to hang out in this high level. With that being the case, we feel that summer markets will break out given enough time anyway, so we are bullish of this market in feel that pullbacks will offer buying opportunities. A break out above the top of the range is also very positive, and would have to be treated as such. With that being the case, we are cautiously optimistic. The silver market bulls have the overall near-term technical advantage and have momentum on their side. Silver bulls' next upside price breakout objective is closing prices above solid technical resistance at \$16.37 an ounce. The next downside price breakout objective for the bears is closing prices below solid support at this week's low of \$15.37.

Pivot:	16.12		
Support	15.96	15.75	15.52
Resistance	16.31	16.45	16.63

### Highlights

- Silver prices did post modest gains and hit another 5.5-month high
- May Comex silver was last up \$0.078 at \$16.30 an ounce
- Upbeat economic data coming out of China, helped to lift traders' and investors' spirits at mid-week
- There was a batch of U.S data released yesterday, but it was a mixed bag and had little impact on the markets
- Silver has rallied 7.8 percent in the past four sessions

### Silver - Technical Indicators

RSI 14	63.83
SMA 20	15.47
SMA 50	15.38
SMA 100	14.77
SMA 200	14.88

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver defied weakness in other precious metals to climb to a new 5-1/2 month high, however, after a break through key chart resistance at \$16 an ounce set it up for further gains.
- 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. The gold/silver ratio, which measures the number of silver ounces needed to buy an ounce of gold, slid to a 3-1/2 month low as silver outperformed gold.
- 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.
- The iShares Silver Trust and the ETFS Physical Silver Shares, two of the largest physically-backed silver exchange traded funds, have been trailing comparable gold rivals for much of this year, but the white metal is showing plenty of signs of breaking that trend.
- SLV and SIVR posted decent gains on Wednesday, extending a run that has seen the ETFs hit multi-month highs on consecutive days. The two silver ETFs are each up more than 17% year-to-date. Unlike gold, silver is used in many industrial applications, but industrial demand is diminishing as global growth, notably China, begins to slow.

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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

Thursday, April 14, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Apr 14	04:50	Japan Buying Foreign Bonds (Yen) (APR 8)	medium	-¥1175.3b		-¥1555.5b
Thu Apr 14	04:50	Japan Buying Foreign Stocks (Yen) (APR 8)	medium	-¥206.0b		-¥47.8b
Thu Apr 14	06:30	Australia Unemployment Rate (MAR)	high	5.7%	5.9%	5.8%
Thu Apr 14	06:30	Australia Employment Change (MAR)	high	26.1k	17.0k	-0.7k
Thu Apr 14	14:00	Euro-Zone Consumer Price Index (YoY) (MAR)	medium	0.0%	-0.1%	-0.2%
Thu Apr 14	16:00	Bank of England Rate Decision (APR 14)	high	0.50%	0.50%	0.50%
Thu Apr 14	16:00	BOE Asset Purchase Target (APR)	high	375b	375b	375b
Thu Apr 14	17:30	U.S Initial Jobless Claims (APR 9)	medium		270k	267k
Thu Apr 14	17:30	U.S Consumer Price Index (YoY) (MAR)	high		1.1%	1.0%

Source: Forex Factory, DailyFX

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