

Gold

Technical

Gold markets broke out above the \$1350 level during the session yesterday, an area that has been significantly resistive in the past. It pull back from there to find support again, and the market should continue to see a lot of noise in this general vicinity. Economists believe there is also resistance at the \$1360 level, so the pullback doesn't make much of a surprise to me. Market players believe that the markets will find buyers between here and the \$1340 level underneath. Longer-term, if this market can break above the \$1400 level, as it could free this market to go looking towards the \$1800 level, and then perhaps the \$2000 level. The gold markets are an antidote for a soft US dollar, and of course geopolitical concerns as gold tends to be affected by those as well. There are plenty of headlines out there that could continue to move this market higher.

Pivot:	1,352		
Support	1,347	1,343	1,337
Resistance	1,356	1,358	1,365

Source: FX EMPIRE

Highlights

- Gold prices scored their highest finish in a week as U.S stocks struggled to hold gains and the dollar stabilized
- June gold rose \$4, or 0.3%, to settle at \$1,353.50 an ounce. The settlement was the highest since April 11
- Prices had slipped by less than 0.1% on Tuesday after edging higher by 0.2% on Monday
- Sri Lanka imposed a 15 percent tax on imported gold
- Lingering trade tension between the US and China is lending further support to gold

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 were flat today while the dollar stayed firm helped by higher long-term U.S Treasury yields, though lingering U.S and China trade tensions kept the greenback's gains in check. Whereas prices rose to a one-week high yesterday on technical trading and some safe-haven demand even as the dollar held on to gains and stocks rose on risk appetite.
- Spot gold was up 0.2 percent at \$1,349.71 per ounce, after touching its highest since April 11, while U.S gold futures for June delivery settled up \$4, or 0.3 percent, at \$1,353.50 per ounce.
- Gold broke above \$1,350, a significant resistance level for gold and a close above this level would confirm positive momentum for gold. If gold can remain above the \$1,350 level for a couple of days there is a good chance to see it jumping up to \$1,400.
- The U.S Dollar index, which measures the greenback against a basket of currencies, was up about 0.1 percent at 89.673. A weaker greenback makes dollar-priced gold cheaper for holders of other currencies.
- Dollar losses were capped by a weaker pound which fell to a four-day low yesterday after British inflation unexpectedly cooled to a one-year low in March.
- "Robust" business borrowing, rising consumer spending, and tight labour markets indicate the U.S. economy remains on track for continued growth, the Federal Reserve reported yesterday, with the risks of a global trade war the one big outlier.
- Gold is still rangebound between \$1,310 and \$1,360, and that will remain the case until a more convicted catalyst such as a spike in inflation or unexpected shift in Federal Reserve policy can shake prices from their very tight range. Whereas demand for physical gold was lower-than-usual.

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 market continues to be very noisy, but with a bullish flavor to it as we have tested the \$68 level. The market looks likely to continue to see a lot of bullish pressure underneath, as there are geopolitical concerns in the Middle East that will continue to have oil traders concerned about a disruption of supply. Beyond that, corporate earnings in the United States are good and that suggests that perhaps the economy is going to be strong enough to increase demand for petroleum. However, the \$70 level above is going to be very difficult to crack, least in the short term. Brent markets also rallied yesterday, reaching towards the \$73 level. It looks as if the market is ready to continue to go higher, perhaps reaching towards the \$73.50 level, as the market has broken out to a fresh, new high, it's likely that we would continue to see buyers coming in on dips.

Pivot:	68.71		
Support	67.75	66.90	66.15
Resistance	69.30	70.20	70.70

Source: FX EMPIRE

Highlights

- Oil prices jumped nearly 3 percent yesterday on a decline in U.S crude inventories
- Oil has been supported by the perception among investors that tensions in the Middle East could lead to supply disruptions
- Oil raised its average 2018 price forecast for Brent to \$66.50 from \$60.25, and its 2018 WTI forecast to \$62.50 from \$57.75
- Crude inventories have gradually declined from record levels toward long-term average levels
- OPEC's third-largest producer, which could result in further supply reductions from the Middle East

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 today to their highest in over three years as U.S crude inventories declined and as top exporter Saudi Arabia pushed for higher prices by continuing to withhold supplies.
- Brent crude oil futures rallied as high as \$74.02 a barrel, the strongest since Nov. 27, 2014, and were at \$73.87 per barrel, up 39 cents or 0.5 percent, from their last close. U.S West Texas Intermediate crude futures added 28 cents, or 0.4 percent, to \$68.75 a barrel. WTI had earlier scaled to \$68.95, its best level since Dec. 2, 2014.
- This oil rally is due to the stock data released last night and risk premiums from geopolitical tensions in the Middle East over the last few weeks, but these risk premiums are quite short-lived and investors will likely be normalizing prices lower again as the tensions ease.
- Oil prices are a little elevated in the short-term and we would need to have clear signs for improvement in fundamentals. The market will be looking for cues from a meeting of oil producers on Friday.
- Prices were supported as U.S oil stockpiles fell across the board last week with gasoline and distillates drawing down more than expected on stronger demand, according to data from the U.S Energy Information Administration.
- Crude inventories dropped by 1.1 million barrels as a result of a decline of 1.3 million barrels per day in net crude imports. Gasoline demand was very strong, virtually summer-like, and crude oil exports are climbed back toward 2 million bpd at 1.75 million.
- OPEC and other major producers including Russia started to withhold output in 2017 to rein in oversupply that had depressed prices since 2014. Top oil exporter Saudi Arabia would be happy to see crude rise \$80 to \$100 a barrel.

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 had a very bullish session yesterday, breaking above the \$17 level rather handily. By doing so, it looks as if we are ready to continue going higher, perhaps reaching towards the \$17.25 level rather quickly. The market will eventually find reason enough to go much higher. Economists believe that a nice pullback will probably offer support somewhere near the \$16.80 level, or perhaps even the \$17.00 level as it is psychologically important. The market continues to have a lot of pent up energy built into it, as there is a major situation when it comes to concerns about trade wars and geopolitical concerns. Currently, it looks as if the market is ready to continue to find buyers though, and I feel it's only a matter of time before that happens. The market participants continue to be very aggressive in this market, as is typical with silver itself, being such a volatile futures contract.

Pivot:	17.23		
Support	17.00	16.77	16.56
Resistance	17.40	17.54	17.70

Source: FX EMPIRE

Highlights

- May comex silver was last up \$0.438 at \$17.23 an ounce and silver futures were up 1.2 cents, or 0.1%, at \$17.260 a troy ounce
- A weekly close above 17.70 will have silver trading out in "open space"
- Spot silver climbed 2.7 percent at \$17.19 per ounce, after touching its highest since Feb. 1 of \$17.26
- Silver finally sprung it free from the congestion it was caught in for the past couple of months
- Silver brings to light the prospects of an important long-term breakout

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 markets were higher yesterday. Silver prices hit a 2.5-month high and are trading well above \$17.00. The chart postures for metal are tilted more in favor of the bulls this week, which is inspiring technically based buying interest.
- World stock markets were mostly higher again today. U.S stock indexes were also higher. Strong first-quarter corporate earnings reports are driving the bulls this week, while geopolitics has taken a back seat, for now. Risk appetite is keen so far this week.
- Russian silver producer Polymetal said yesterday its first-quarter revenue rose 19 percent year-on-year to \$354 million due to an increase in production. The ability of silver to post price gained today, amid little risk aversion in the marketplace, is impressive.
- The silver bulls have regained the overall near-term technical advantage. Silver bulls next upside price breakout objective is closing prices above solid technical resistance at the January high of \$17.785 an ounce.
- Silver seems to have taken the expectations in stride although increasing rates generally put pressure on the precious metal, which does not pay interest, as it struggles to compete with yield-bearing assets.
- Any sign from the Fed the U.S central bank is willing to allow inflation to move above target, that the Fed may be making a policy error or that inflation could disappoint given weaker-than expected inflation data will be needed to give silver a lift above the upper bound of the range.
- Stronger greenback makes the dollar-denominated metal more expensive for holders of other currencies. While geopolitical developments were in focus as U.S President said the plan for the summit between the U.S and North Korea leader Kim Jong Un might not happen, then it might produce meaningful results.

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	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

Thursday, April 19, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs April 19	06:30	AUD Employment Change (MAR)	High	4.9k	20.0k	-6.3k
Thurs April 19	06:30	AUD Unemployment Rate (MAR)	High	5.5%	5.5%	5.5%
Thurs April 19	17:30	USD Initial Jobless Claims (APR 14)	Medium		230k	233k
Thurs April 19	17:30	USD Continuing Claims (APR 7)	Medium		1845k	1871k
Thurs April 19	17:30	USD Philadelphia Fed Business Outlook (APR)	Medium		21	22.3
Thurs April 19	18:30	USD Fed's Quarles Testifies on Supervision Before Senate Panel	Low			
Thurs April 19	19:00	USD Leading Index (MAR)	Medium		0.3%	0.6%
Thurs April 19	19:30	USD EIA Working Natural Gas Implied Flow (APR 13)	Low			-19
Thurs April 19	19:30	USD EIA Natural Gas Storage Change (APR 13)	Low			-19

Source: Forex Factory, DailyFX

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