

## Gold

### Technical

Gold markets initially fell during the course of the session on Tuesday, testing the \$1230 level for support. We ended up turning back around to form a hammer though, and that of course suggests that the markets will more than likely try to reach back towards the \$1260 handle in the short-term. This will be exacerbated by the FOMC Statement coming out during the day today, so at this point in time it's likely that we see quite a bit of volatility here during the day, and this could be a very difficult market to handle. U.S. Consumer Confidence fell to 94.2 in April from 96.1 in March. The pull-back was more pronounced than expected. The expectations component drove the decline in total confidence, as expectations fell to 79.3 in April from 83.6 in March.

Pivot:	1,245		
Support	1,231	1,227	1,220
Resistance	1,249	1,252	1,258

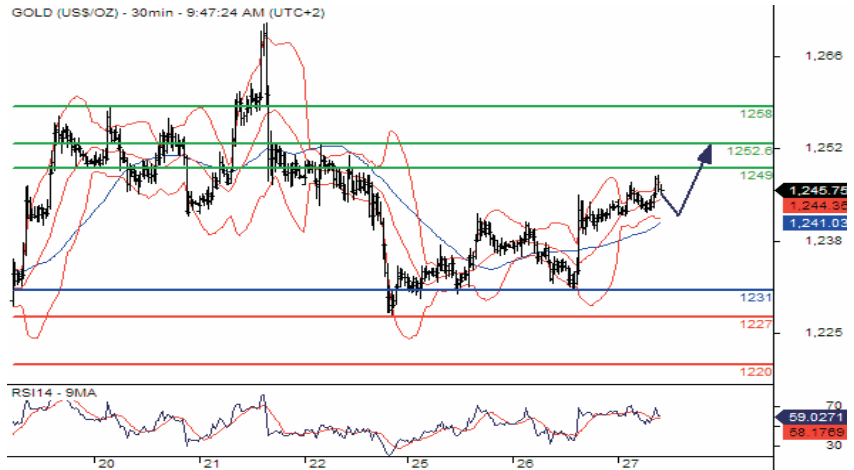
### Highlights

- Gold futures settled slightly higher yesterday as the dollar declined
- Investors awaited a key decision from the Fed's two-day meeting
- No interest-rate hike is expected at the conclusion of the policy-setting Federal Open Market Committee
- Higher U.S. interest rates are supportive to the greenback
- Gold for June delivery gained \$3.20, or 0.3%, to \$1,243.40 an ounce, after trading as low as \$1,232.70

### Gold - Technical Indicators

RSI 14	48.20
SMA 20	1,236.14
SMA 50	1,239.69
SMA 100	1,180.36
SMA 200	1,149.12

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold rose for a third straight session on Wednesday as weaker than expected U.S. data weighed on the dollar ahead of the Federal Reserve's monetary policy decision later in the day.
- The Fed is likely to keep interest rates steady, with the focus resting squarely on the tone of its statement and any hints on the timing of any future increases. The U.S. central bank raised rates in December for the first time in nearly a decade.
- Spot gold was up 0.3 percent at \$1,246.06 an ounce. The gold market is on hold before the Fed meeting ... but nobody thinks the Fed will hike rates today and June is hardly an option, which should be negative for the dollar and positive for gold.
- The gold market is on hold before the Fed meeting ... but nobody thinks the Fed will hike rates today and June is hardly an option, which should be negative for the dollar and positive for gold.
- Gold ground higher, continuing to trade in a tight range. The weaker dollar has supported demand, but investors remain wary heading into the central bank meetings. An unchanged economic outlook and a more balanced assessment of the risks should enhance the Fed's confidence to proceed with further normalisation.
- Gold is highly sensitive to rising interest rates, which lift the opportunity cost of holding non-yielding bullion while boosting the dollar, in which it is priced. Bullion has rallied 17 percent this year on speculation that the Fed might not raise rates this year amid uncertainty over the global economy.
- A slump in demand from key Asian consumers is likely to push gold prices lower in the short term, GFMS analysts at Thomson Reuters said in a report on Tuesday.

### 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 market rose during the course of the session on Tuesday, gaining the 1.7% at the time of writing. That being the case, the market looks as if it is trying to chase and reach towards the \$44 handle. This is an area that has previously been supportive, so having said that it could be significantly resistive. The market has a major amount of noise between the \$44 level on the bottom, and the \$50 level on the top. Ultimately, a reasonably exhaustive candle could be reason to sell, but if we continue to see bullish pressure you would have to think that we will try to grind towards the \$50 handle. Today should be an interesting session as the Crude Oil Inventories number will come out and give us an idea as to what the demand is in the United States. Momentum remains positive with the MACD (moving average convergence divergence) index printing in the black.

Pivot:	44.57		
Support	42.90	42.00	41.40
Resistance	45.30	46.35	47.25

### Highlights

- Crude futures prices gathered more steam today in Asian session after settling at this year's highs overnight
- Crude futures for delivery in June traded at \$44.92 a barrel, up \$0.88, or 2%
- The American Petroleum Institute reported U.S crude inventories decreased by 1.1 million barrels last week
- Persistent surplus in the physical market has kept a lid on oil prices
- Despite the recent rally, prices are still much lower than the \$100 mark

### Crude - Technical Indicators

RSI 14	62.54
SMA 20	40.57
SMA 50	38.46
SMA 100	35.39
SMA 200	39.37

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil hit its highest level of 2016 today, driven by a falling dollar and evidence of declining U.S. supply, putting the price on course for its strongest monthly performance since last April.
- The prospect of an agreement among the world's largest exporters to limit production, which had provided the catalyst for a 55 percent rally since mid-February, evaporated almost two weeks ago when a meeting between OPEC members and their non-OPEC counterparts ended in stalemate.
- Since then, Brent has hit its highest since November and, aided by further evidence of declining output anywhere from the U.S. shale basin to the North Sea, attracted fresh investment cash. There was definitely a bit of a turning point when we had the initial sell-off after the producer meeting.
- That got reversed and went on to show that (a production freeze) was a fairly small part of what had been supporting the price and really, it's the supply outlook for the U.S. coupled with the dollar that is really driving returns.
- WTI was further bolstered after the American Petroleum Institute reported a draw of nearly 1.1 million barrels in U.S. crude inventories last week. Analysts had expected a 2.4-million-barrel build.
- The dollar was down on the day, having fallen about 5 percent against a basket of currencies since the start of the year, even as U.S. interest rates are expected to rise. A weaker dollar cuts the cost to non-U.S. investors of buying dollar-denominated assets such as oil futures.
- The Federal Reserve's policy-setting committee meets on Wednesday but is not expected to announce any change in rates, leaving traders to scour the post-meeting statement for any clues on the outlook. Yet analysts were cautious about forecasting further gains in the near future. Despite speculative overheating, any news that could suggest a higher price is viewed as a good reason to buy.

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	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 initially fell during the course of the day on Tuesday, but the \$16.80 level offered support yet again. We turn right back around to form a hammer, and now it looks as if we are trying to go higher given enough time. We have an FOMC Statement for the session on Wednesday, and that of course could move the US dollar, which of course moves precious metals markets such as the silver market. Ultimately, we do believe the support goes higher, so pullback should have support as well going forward as the buyers certainly are in control. The next resistance level for silver prices is the psychological level of \$17.50, followed by last week's high of \$17.73. The short-term trend is bullish, as the April 21 low of \$16.76 is the most recent swing low and is a higher low than the prior swing low of \$16.13 (formed on April 18). A short-term support level is the April 25 high of \$17.13.

Pivot:	17.30		
Support	17.00	16.78	16.48
Resistance	17.66	17.86	18.00

### Highlights

- Silver prices took a leap higher and breached the narrow range of \$16.76 and \$17.13
- The motivator behind the rise of Silver prices was the outcomes of Durable Goods Orders and Consumer Confidence
- Today's FOMC Rate Decision could turn today's trading session into a volatile one
- Fed Funds Futures markets are predicting a near to zero probability of a rate hike
- Weekly MBA mortgage applications survey and pending home sales are scheduled for release today

### Silver - Technical Indicators

RSI 14	70.67
SMA 20	16.09
SMA 50	15.64
SMA 100	15.03
SMA 200	14.96

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver prices are moderately higher in early U.S. trading Wednesday, amid bullish outside markets that include higher crude oil prices and a lower U.S. dollar index. July Comex silver was last up \$0.251 at \$17.41 an ounce.
- Traders and investors are awaiting the results of the meeting of the U.S. Federal Open Market Committee (FOMC) that began Tuesday morning and ends early Wednesday afternoon with a statement.
- U.S. monetary policy are expected at this meeting. However, the statement could provide clues on the timing of the next monetary policy move by the FOMC. FOMC statements have been significant markets-movers in the recent past.
- U.S. economic data due for release Wednesday includes the weekly MBA mortgage applications survey, pending home sales, and the weekly DOE liquid energy stocks report.
- Silver continues to trade DIFFERENTLY, in a positive manner that it has not done in YEARS. The potential for the silver price to explode in the very near future is all there.
- Nearly the entire precious metals investing community looks at the Comex options expiration and the Fed's FOMC meetings with trepidation, as historically those two events have triggered a massive Comex paper attack on the price of the metals.
- Today's FOMC Rate Decision could turn today's trading session into a volatile one. Per the Fed Funds Futures, markets are predicting a near to zero probability of a rate hike. Instead, the focus will be on the language of the rate meeting statement. Traders are looking for hints of the Fed leaning towards a June rise. If it provides clues of this happening then it could be a game changer as the Fed Funds Futures gives a low 21.6% probability of a June rate hike happening.

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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 27, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Apr 27	06:30	AUD Consumer Prices Index (YoY) (1Q)	high	1.3%	1.7%	1.7%
Wed Apr 27	09:30	JPY All Industry Activity Index (MoM) (FEB)	medium	-1.2%	-1.4%	1.2%
Wed Apr 27	11:00	EUR German GfK Consumer Confidence Survey (MAY)	medium	9.7	9.4	9.4
Wed Apr 27	13:30	GBP Gross Domestic Product (YoY) (1Q)	high	2.1%	2.0%	2.1%
Wed Apr 27	16:00	USD MBA Mortgage Applications (APR 22)	medium	-4.1%		1.3%
Wed Apr 27	19:00	USD Pending Home Sales (YoY) (MAR)	medium		1.2%	5.1%
Wed Apr 27	19:30	USD DOE U.S. Crude Oil Inventories (APR 22)	medium		3000k	2080k
Wed Apr 27	23:00	USD Federal Open Market Committee Rate Decision (APR 27)	high		0.50%	0.50%
Wed Apr 27	23:00	USD FOMC Rate Decision (Lower Bound) (APR 27)	high		0.25%	0.25%

Source: Forex Factory, DailyFX

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