

Gold

Technical

Gold markets have drifted a bit during the trading session yesterday, reaching down towards the \$1215 region. The market has significant support at the \$1210 level, but even more at the \$1200 level. Economists think that it is only a matter of time before the markets turn around and bounce from here, and it could be a nice buying opportunity. In the short term though, the rallies will probably continue to be sold off, as gold simply cannot get out of its own way. Selling rallies on short-term charts might continue to be the best way between now and \$1200, but the volatility will continue to be stomach churning. With the jobs number coming out today, it's very likely that it will continue to see continued bouncing around, but it suspect that any flush lower at this point will probably be met with buying pressure. If it break down below the \$1200 level, it could break down rather significantly from that point.

Pivot:	1,205		
Support	1,200	1,197	1,194
Resistance	1,211	1,214	1,218

Source: FX EMPIRE

Highlights

- Gold is now fighting a rising set of interest rates in America
- Higher interest rates are a source of pressure for gold because they push up bond yields and tend to boost the dollar
- Gold could fall to \$1,200 ahead of a September rate announcement
- Tightening monetary policy elsewhere could begin to push the dollar lower and help gold recover to above \$1,300 next year
- Higher bond yields meanwhile make non-yielding gold less attractive to investors

Gold - Technical Indicators

RSI 14	45.94
SMA 20	1,219.5
SMA 50	1,218.0
SMA 100	1,218.2
SMA 200	1,218.3

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices were little changed today, having hit a one-year low in the previous session on a resilient U.S dollar. Gold could fall to \$1,200 ahead of a September rate announcement. Rising yields of risk-free government bonds can dull the appeal of gold which doesn't offer a yield.
- Spot gold was up 0.1 percent at \$1,209.15 an ounce, after hitting the lowest since July 2017 at \$1,206.80 in the previous session. For the week, the precious metal was down more than 1 percent, in what could be its fourth straight weekly drop. U.S gold futures were, however, 0.2 percent lower at \$1,217.20 an ounce.
- The dollar stayed firm against the yuan and a basket of currencies as worries about an escalation in trade tensions between the United States and China supported the U.S currency.
- China vowed to retaliate if the United States acted on a threat to raise tariffs on the Asian nation's exports, fueling fears in financial markets that the trade war between the world's two biggest economies would escalate.
- The number of Americans filing for unemployment benefits rose less than expected last week, pointing to sustained strength in the labour market despite trade tensions.
- Momentum indicators suggest prices will continue to fall, according to analysts at ScotiaMocatta, and gold has not yet snapped a steep downtrend line from mid-June.
- Adding to the pressure on bullion are expectations that the Federal Reserve will raise interest rates again in September. Those expectations were bolstered on Wednesday by the Fed, which praised the strength of the U.S economy, and forecast-beating employment data on Wednesday and Thursday.

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

The WTI Crude Oil market found plenty of support at the \$67 level to turn around and bounce over one dollar from the lows. Because of this, it looks as if it is going to continue to stay within the range, between the \$67 level on the bottom and the \$70 level on the top. Economists think that the jobs number will of course push this market around as well, but it is starting to find an area that buyers are willing to step in and lift this market. That doesn't mean it's good to be an easy long to take, but the uptrend line has to add significance to the support at \$67. Brent markets also fell during the day, only to find support at the \$72 level. By doing so, the market has turned around of form a bit of a hammer like candle, and it looks as if a bounce is imminent. If it bounce from here, it will be difficult to break above the \$75 level, so what it could see is simple back and forth trading.

Pivot:	68.76		
Support	68.40	68.00	67.40
Resistance	69.35	69.90	70.40

Source: FX EMPIRE

Highlights

- Oil prices were mixed today after strong gains in the previous session
- U.S crude oil inventories actually rose by 3.8 million barrels last week to 408.74 million barrels
- Stockpiles at the hub fell by 1.1 million barrels since Friday, July 27
- Investors fear China would lower energy demand following recent development and drive crude prices lower
- U.S will keep turning up the pressure on China for as long as the country refuses to level the economic playing field

Crude - Technical Indicators

RSI 14	46.01
SMA 20	67.75
SMA 50	67.75
SMA 100	67.83
SMA 200	67.75

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices were down today as the market re-focused on bearish longer term factors following a bounce in the previous session as U.S crude inventories in a key hub fell to their lowest in nearly four years.
- U.S West Texas Intermediate (WTI) crude futures were at \$68.70 per barrel, down 26 cents from their last settlement. Brent crude futures were at \$73.15 per barrel, down 30 cents from their last close.
- Stocks at the key Cushing storage hub in Oklahoma fell by 1.3 million barrels, the lowest level since October 2014, according to data from the Energy Information Administration (EIA). This helped to pushed Brent futures to close \$1 a barrel higher yesterday.
- Trade volume is pretty low in futures today. Yesterday it had a strong rebound supported by Cushing but there's not a lot else that is driving prices higher so it is seeing a bit of a correction.
- However, low stocks were still providing a floor as even with last week's rise, overall U.S crude inventories are below the 5-year average of around 420 million barrels.
- WTI is heading for a roughly flat week after four weekly falls, while Brent is on track to post a fourth week of declines in five, set for a drop of 1.4 percent. Analysts said the outlook beyond the short-term was turning bearish.
- Russian oil output rose by 150,000 barrels per day (bpd) in July from a month earlier, to 11.21 million bpd, energy ministry data showed on Thursday. Output by top exporter Saudi Arabia has also risen recently, to around 11 million bpd, and U.S production is around that level as well.

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 initially tried to rally yesterday but found the \$15.50 level a bit too expensive and rolled over to struggle overall. Economists believe that the market will probably continue to be very noisy between now and the jobs number, and quite frankly silver is a bit too volatile for my liking to try to predict what happens next with money. Market players believe at this point it can probably count on a lot of noise. At this point, if it can break above the \$15.65 level, the market could go higher, perhaps reaching towards \$15.80 next, and then perhaps even the \$16.15 level. The \$15 level underneath is massive support, and it should be thought of as a bit of a "floor" in the market. However, with the jobs number coming out today it's likely that the market will continue to jump around quite a bit.

Pivot:	15.26		
Support	15.22	15.16	15.07
Resistance	15.34	15.41	15.48

Source: FX EMPIRE

Highlights

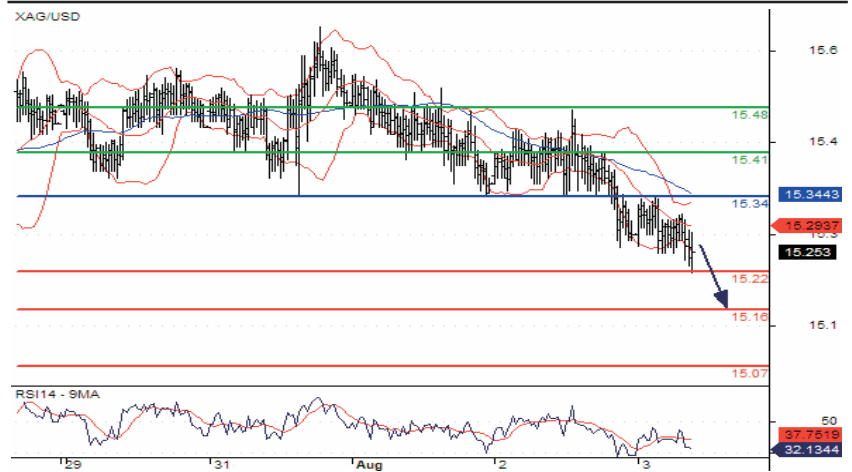
- Silver prices were up 0.03 percent at \$15.35 an ounce
- US economy continues to expand and inflation hovers around 2%
- Silver sales in July were at 486,821 ounces, up from 229,280 ounces in June
- September Comex silver was last down \$0.042 at \$15.41 an ounce
- The Federal Open Market Committee voted to maintain overnight interest rates unchanged between 1.75% and 2.00% as expected

Silver - Technical Indicators

RSI 14	46.94
SMA 20	15.44
SMA 50	15.41
SMA 100	15.41
SMA 200	15.41

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver futures fell to July 20 lows in Asian trade, while the dollar index backed off July 20 highs ahead of the all-important US payrolls report later today. The economy is expected to have created 191 thousand new jobs last month, compared to 213 thousand in June. U.S. stock indexes are pointed toward lower openings when the New York day session begins.
- Silver futures due on September 15 dropped 0.49% to \$15.31 an ounce as of 05:58 GMT, marking two-week lows, while the dollar index inched down 0.04% against a basket of major rivals to 95.13, moving off two-week highs.
- Markets await US labor data, with the unemployment rate expected to have fallen to 3.9% from 4%, while average hourly earnings are estimated with a 0.3% increase, up from 0.2% in June.
- The trade deficit is estimated to have risen to \$46.5 billion in June from \$43.1, while the final reading for the Markit services PMI is expected at 56.2, same as before.
- Services PMIs are crucial as services constitute two thirds of American GDP, with the indices covering healthcare, finance, housing, retail, and many other sectors in the economy, which usually have bearing on the Federal Reserve's policy decisions later.
- The more important ISM services PMI is estimated to dip to 58.9 from 59.1 in June. The White House announced Wednesday that it is considering increasing from 10%, to 25%, the tariffs on Chinese imports. The world's two largest economies going at it on trade is a keen worry in the global marketplace.
- World stock markets were mostly lower overnight, on renewed worries about the U.S. imposing higher tariffs on Chinese imports. U.S. stock indexes are pointed toward lower openings when the New York day session begins.

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

Friday, Aug 03, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Aug 03	17:30	USD Trade Balance (JUN)	Medium		-\$46.1b	-\$43.1b
Fri Aug 03	17:30	USD Change in Non-farm Payrolls (JUL)	High		192k	213k
Fri Aug 03	17:30	USD Change in Private Payrolls (JUL)	Medium		185k	202k
Fri Aug 03	17:30	USD Unemployment Rate (JUL)	High		3.9%	4.0%
Fri Aug 03	17:30	USD Average Hourly Earnings (YoY) (JUL)	Medium		2.7%	2.7%
Fri Aug 03	17:30	USD Average Weekly Hours All Employees (JUL)	Medium		34.5	34.5
Fri Aug 03	18:00	MXN Consumer Confidence Index (JUL)	Medium		90.4	89.8
Fri Aug 03	19:00	USD ISM Non-Manufacturing/Services Composite (JUL)	High		58.6	59.1
Fri Aug 03	22:00	USD Baker Hughes U.S. Rig Count (3 AUG)	Medium			1048

Source: Forex Factory, DailyFX

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