

Gold

Technical

Gold markets continue to be very volatile, as it dance around the psychologically and structurally important \$1200 level. This is an area that should continue to attract a lot of attention, because not only of the psychology of it but the fact that it has seen the markets react to this area more than once in the past. Gold obviously is reacting to the US dollar and its fortunes, which lately have been rather negative. However, there has been a lot of volatility in markets around the world, and that of course will have gold continue to be noisy. At this point, if it break down below the \$1190 level, it's time to start selling. Otherwise, if it break above the \$1210 level, the market will probably go to the \$1225 level after that. Ultimately, market will continue to find plenty of reasons to make noise, and therefore it should start looking for short-term scalps between the \$1210 level, and the \$1190 level.

Pivot:	1,188		
Support	1,184	1,182	1,179
Resistance	1,193	1,196	1,199

Source: FX EMPIRE

Highlights

- Gold has fallen victim to another round of dollar strength
- The dollar was up 0.2 percent against a basket of six major currencies
- Signalling further negative sentiment in gold was a record of net shorts in COMEX gold contracts
- The Fed has raised rates twice this year and is expected to raise rates again next month and one more time this year
- Along with higher U.S interest rates this year, has sapped demand for the precious metal, while dollar was boosted by U.S-China trade war

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 slid yesterday, under pressure from a stronger dollar as a prominent U.S Federal Reserve official reaffirmed the central bank's intention to raise interest rates and punitive trade tariffs between the United States and China kicked in.
- Spot gold declined 0.7 percent to \$1,187.30 per ounce. Prices hit their highest since Aug. 13 at \$1,201.51 in the previous session. U.S gold futures for December delivery settled down \$9.30, or 0.8 percent, at \$1,194 per ounce, as the dollar rose against a basket of major currencies.
- The Fed's latest policy meeting minutes suggested it is on course to raise interest rates further after two hikes this year, denting demand for non-interest-yielding gold.
- Amid shocks to the global financial system caused by the trade war, investors have opted for the safety of U.S Treasuries and the U.S currency, making dollar-denominated gold more expensive for holders of other currencies.
- The market needs to see that the trajectory of U.S rate hikes is beginning to slow and that was not the signal in Fed minutes. The number of Americans filing for unemployment benefits fell last week, which could bolster the Fed's appetite for further interest rate increases, data showed yesterday.
- Another round of U.S tariffs on \$16 billion in Chinese goods went into effect. Beijing was quick to respond with promises to file a new complaint with the World Trade Organization and retaliatory tariffs for the same amount.
- The greenback's strength continued to offset the safe-haven appeal of the yellow metal. A stronger U.S currency makes gold and other dollar-denominated commodities more expensive for foreign investors.

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 broke down a bit during the early US hours, reaching down to the \$67.50 level. It turned around and reached towards the \$68 level, an area that of course is important from a psychological point of view. The \$68 level also shows a lot of resistance on the daily chart, so it's not a surprise that it was a bit of a struggle. However, this gives us a clear target, if it break above the \$68 level for any significant amount of time, the market should continue to go higher. Obviously, Brent markets did very much the same thing. For the Brent market, it should be thinking about the \$75 level as the resistance that needs to be overcome. Eventually it should, and at that point the market will probably go looking towards the \$76 level. The \$74 level underneath should be massive support, so at this point it is probably looking at a short-term "buy on the dips" type of mentality.

Pivot:	68.27		
Support	67.70	67.35	66.80
Resistance	68.90	69.20	69.50

Source: FX EMPIRE

Highlights

- Oil prices rose today as the highly anticipated U.S-China trade talks ended with little progress made
- U.S commercial crude oil inventories fell 5.8 million barrels last week, which is more than three times forecasts
- Crude stocks drew due to sharply lower crude imports and near-record refinery crude runs
- U.S oil production was rising, reaching 11 million barrels per day last week
- A larger-than-expected fall of crude inventories was cited as supporting the crude prices

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 rose today as U.S sanctions on Iran are expected to cut significant volumes of crude from the market, but trading was muted by concerns over the trade dispute between Washington and Beijing.
- Brent crude oil futures were at \$75.19 per barrel, up 46 cents, or 0.6 percent, from their last close. U.S West Texas Intermediate crude futures were at \$68.34 per barrel, up 51 cents, or 0.8 percent.
- Investors said the supply versus demand outlook for oil markets was relatively tight because of the looming U.S sanctions against Iran, which will target oil exports from November.
- Iran is the third-biggest producer within the Organization of the Petroleum Exporting Countries (OPEC), exporting on average around 2.5 million barrels per day (bpd) of crude and condensate this year, equivalent to around 2.5 percent of global consumption.
- Third-party reports indicate that Iranian tanker loadings are already down by around 700,000 bpd in the first half of August relative to July, which if it holds will exceed most expectations.
- After U.S and Chinese officials talks aimed at resolving an escalating trade dispute ended yesterday with no major breakthrough. Instead, both countries activated another round of dueling tariffs on \$16 billion worth of each other's goods.
- Yet amid the escalating trade war, China's Unipet will resume purchases of U.S crude oil in October, after a two-month halt due to the trade dispute between the world's two largest economies.

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 continue to be very noisy. The \$15 level above will continue to be resistance, just as the \$14.40 level underneath will continue to be support. However, if it break down below the \$14.40 level, the market could unwind a bit. Overall, this is a market that continues to be very noisy, but that is typical of silver and of course something that has ever traded this market, it will be well aware of. Because of this, speculation on silver is easier done in the CFD market that it is the futures market. The volatility is simply too dangerous. If the US dollar strengthens, it tends to weigh upon the value of precious metals, and silver being a bit more thinly traded seems to react quicker than gold. Overall, it will eventually bounce, but right now it looks very likely that short-term rallies will be sold off.

Pivot:	14.55		
Support	14.45	14.40	14.31
Resistance	14.60	14.67	14.77

Source: FX EMPIRE

Highlights

- Spot silver dropped 1.2 percent to \$14.56 an ounce, touching \$14.49, a one-week low
- Silver has traded to lower pricing, it is the U.S dollar that is a significant contributor to that falling price
- US and China took the current trade dispute to yet another new level. Both countries placed a 25% tariff on approximately \$16 billion of goods
- September Comex silver was last down \$0.21 at \$14.54 an ounce
- The dollar was steady against a basket of six major currencies, at 95.656, after rising 0.6 percent

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 prices are lower in early-afternoon U.S trading yesterday, with gold back below \$1,200.00. The U.S dollar index has regained some footing and is trading solidly higher today after sliding lower most of this week, and that's a daily negative for the precious metals markets.
- Silver futures fell over one percent in American trade away from August 15 highs, as the dollar index climbed off August 2 lows for another session, following earlier data from China, the world's largest metals consumer, and the US.
- Silver futures due in December fell 1.45% to \$14.63 an ounce, marking August 16 lows, while the dollar index rallied 0.47% to 95.59 against a basket of main currencies.
- Earlier Chinese data showed an index that tracks the readings of 8 economic indicators that cover the major sectors in the economy, up 1.1% in July, compared to a 0.9% increase in June.
- Investors await the results of low-level US-China trade talks, which started yesterday in Washington, with China's foreign ministry expressing hopes for reaching good results that would lessen trade tensions between the two sides.
- Earlier US data showed unemployment claims fell to new lows in the week ending August 18 to 212 thousand, besting estimates of 215 thousand, while continuing claims fell 2 thousand to 1.727 million in the week ending August 11, besting estimates of 1.730 million.
- The flash Markit readings for manufacturing PMI receded to 54.5 from 55.3 in July, missing estimates of 55.1, while also receding to 55.2 for services PMI, missing expectations of 55.9. US new home sales fell 1.7% in July to an annualized 627 thousand units, compared to a 2.4% drop in June to 638 thousand, revised from 631 thousand.

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 24, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Aug 24	04:30	JPY National Consumer Price Index (YoY) (JUL)	High	0.9%	1.0%	0.7%
Fri Aug 24	11:00	EUR German Gross Domestic Product w.d.a. (YoY) (2Q F)	Medium	2.0%	2.0%	2.0%
Fri Aug 24	13:30	GBP BBA Loans for House Purchase (JUL)	Medium	39584	40650	40330
Fri Aug 24	17:30	USD Durable Goods Orders (JUL P)	High		-0.5%	0.8%
Fri Aug 24	17:30	USD Durables Ex Transportation (JUL P)	Medium		0.5%	0.2
Fri Aug 24	18:00	MXN Economic Activity IGAE (YoY) (JUN)	Medium		1.6%	2.23%
Fri Aug 24	18:00	MXN GDP NSA (YoY) (2Q F)	Medium		2.7%	2.7%
Fri Aug 24	19:00	USD Powell to Discuss Economy and Monetary Policy at Jackson Hole	High			
Fri Aug 24	22:00	USD Baker Hughes U.S. Rig Count (AUG 24)	Medium			

Source: Forex Factory, DailyFX

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