

## Gold

### Technical

Gold markets continue to be choppy yet positive during trading today. The \$1200 level being broken to the upside was indeed a very big event, at this point Gold is going to continue to try to correct itself. That should have this market looking towards the \$1220 level, and then even the \$1225 level. If it turned around and break down below the \$1200 level though, that would give a bit of pause, and have me looking at the \$1190 level underneath for a potential buying area as well. Ultimately, this is a market that will be noisy, but it will continue to be one that offers buying opportunities on short-term charts that dip. Longer-term, if it break above the \$1225 level, the market will probably go looking towards the \$1250 level. Overall, this is a market that continues offer plenty of opportunities, but it will need to be cautious and patient when trading it. Shorting is all but impossible

Pivot:	1,203		
Support	1,196	1,192	1,187
Resistance	1,208	1,212	1,217

Source: FX EMPIRE

### Highlights

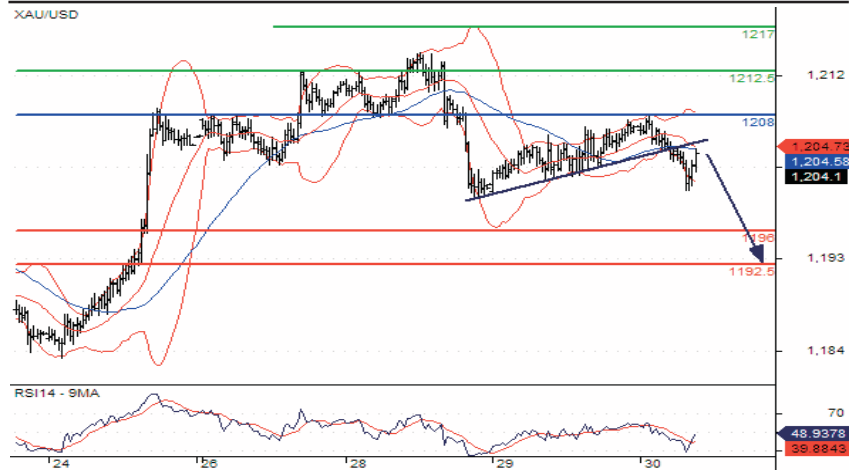
- Spot gold climbed yesterday as the U.S dollar turned negative
- Expectations for higher U.S interest rates limited gains and kept the December gold contract pressured
- A lack of negative news in the market is pushing gold higher
- Gold pared losses, but strong stocks and dollar index increased in price and kept gold capped
- Gold prices are on track to fall for a fifth straight month, making it the longest losing streak since early 2013

### 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 inched lower today as the dollar firmed amid expectations of higher U.S interest rates, but the precious metal continued to hold above a key support level of \$1,200.
- Spot gold was down 0.4 percent at \$1,202.02 an ounce, while U.S gold futures were down 0.3 percent at \$1,207.80 an ounce. Spot gold has been trading within an \$8 range over the past two sessions, with investors keenly watching the psychological \$1,200 level after the metal broke below that mark and hit a 1-1/2-year low of \$1,159.96 early this month.
- Investors are grappling amid positive data coming through (from the United States) and that's why prices are stuck just above \$1,200 at the moment without any sort of clear outlook, especially around the rates for 2019.
- Data showing higher-than-expected annualised growth in second-quarter U.S gross domestic product cemented expectations for a rate hike next month, with a 96 percent probability, according to Fed funds futures.
- Higher rates dent the appeal of non-interest-yielding gold, boosting the dollar in which the yellow metal is priced. The dollar index held steady at 94.662 against a basket of six major currencies, after hitting a four-week low of 94.434.
- The greenback's strength against the yuan was making bullion expensive for buyers in world's biggest consumer China. Bullion investors' focus would now shift to the trade negotiations between the US and China and its consequences.
- Gold prices are headed for a fifth straight monthly fall, the metal's longest losing streak since early 2013. It has declined about 7.7 percent so far this year amid international trade disputes and the Turkish currency crisis, with investors preferring the dollar as a safe haven.

### 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 has been very bullish over the last couple of weeks. As it approached the \$69 level, the market struggled a bit, which should not be a huge surprise considering that the level has been tested more than once. The market participants seem to be defending the \$68 level though, so this consolidation will eventually give way. It anticipate that it will probably be to the upside, allowing a push towards the \$70 level. On longer-term charts, it make an argument for a push towards \$71 being more likely. If it did break down below the \$60 level, it will probably reset at \$67.50 below there. Brent markets also have rallied towards significant resistance, this time in the form of \$77. It looks as if there is significant resistance there, but if it can get above there, the market is free to go looking towards \$79, followed very quickly by \$80 in my estimation.

Pivot:	69.83		
Support	69.15	68.65	68.35
Resistance	70.25	70.60	70.95

Source: FX EMPIRE

### Highlights

- Oil prices climbed to score their highest finish of the month, after a U.S government report showed that domestic crude supplies fell
- U.S sanctions on Iran and supply disruptions in Libya and Venezuela have supported oil prices lately
- The looming sanctions against Iran are beginning to impact oil supply lifting crude prices
- Crude oil inventories rose by 38,000 barrels to 405.7 million barrels
- Investors also assessed the impact of the upcoming U.S sanctions against Iran

### 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, extending gains on growing evidence of serious disruptions to crude supply from Iran and Venezuela after a fall in U.S inventories. There are some worries that oil markets can tighten towards the end of this year.
- Benchmark Brent crude oil was up 30 cents a barrel at \$77.44. U.S light crude was 30 cents higher at \$69.81. As Iranian oil exports are lost to the market, Venezuelan production continues to decline, Angola struggles to maintain output, and Libya is subject to episodic outages.
- Brent has risen by almost 10 percent over the last two weeks on widespread perceptions that the global oil market is tightening and may run short in the next few months as U.S sanctions restrict crude exports from Iran.
- Sanctions against Iran are beginning to impact oil supply, lifting crude prices. Iranian crude exports will likely drop to just over 2 million barrels per day (bpd) in August, versus a peak of 3.1 million bpd in April, as importers bow to American pressure to cut orders.
- The Organization of the Petroleum Exporting Countries, of which Iran is the third-biggest producer, will discuss in December whether it can compensate for a sudden drop in Iranian supply after sanctions start in November.
- Crude exports from crisis-struck OPEC member Venezuela have also fallen sharply, halving in recent years to around 1 million bpd. Official U.S oil inventory data on Wednesday also helped the bullish trend.
- U.S commercial crude inventories fell by 2.6 million barrels in the week to Aug. 24, to 405.79 million barrels, more than forecast. U.S production was flat from the previous week's record of 11 million bpd.

### 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 a bit consolidated yesterday, as it bounced between the \$14.60 level and the \$14.70 level. Economists think given enough time though, it will probably break through this level and continue to go towards the \$15 level again. This will be especially true if the US dollar continues to soften overall, something that is quite possible. After all, the EUR/USD pair looks as if it is starting to recover after the initial pullback, and that should continue to push precious metals a bit higher. The \$14.50 level will probably be supportive, and at that point it's likely that it will see plenty of buyers coming into the market as demand will be high. If it can break above the \$15 level, the market should go much higher, perhaps reaching towards the \$17 level.

Pivot:	14.73		
Support	14.54	14.46	14.36
Resistance	14.77	14.82	14.87

Source: FX EMPIRE

### Highlights

- Silver futures fell in Asian trade as the dollar index moved little, ahead of US labor, personal spending and income data later today
- Metals prices traded mixed yesterday as a stronger dollar helped silver prices move off lows
- Spot silver prices gained 0.4 percent at \$14.73 per ounce
- Dollar-denominated assets such as silver are sensitive to moves in the dollar as investors continued to ditch the greenback
- December Comex silver was last down \$0.129 at \$14.77 an ounce

### 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 modestly lower in early-afternoon U.S trading yesterday. Prices have moved off their daily lows, however. With little risk aversion among investors at present, the safe-haven metals remain on shaky ground.
- Silver futures due in December shed 0.54% to \$14.73 an ounce, while the dollar index barely dipped to 94.57 against a basket of major rivals. The U.S dollar index, which measures the greenback against a trade-weighted basket of six major currencies, fell by 0.08% to 94.55.
- Markets await US unemployment claims data for the week ending August 25, expected to have increased by 4 thousand to 214 thousand, while continuing claims rose 3 thousand to 1.730 million in the week ending August 18.
- US personal spending is expected with a 0.4% increase in July, while personal income is pegged at 0.3% growth rate, down from 0.4% in June. The U.S is presently negotiating a trade agreement with Canada after reaching a deal with Mexico earlier this week.
- U.S stock indexes hit new record highs again today, to underscore the "risk-on" mentality in the marketplace at present. Investors at present reckon the stock market is the "main game in town" as money keeps flowing into those paper assets at the expense of hard assets like silver and other raw commodities.
- Part of the investor optimism in the world marketplace this week is due to ideas the U.S will come to terms with more of its trading partners at some point down the road, and some sooner rather than later.
- Gross domestic product increased at a 4.2% annual rate in the April-June period, the Commerce Department said Wednesday in its penultimate estimate, beating economists' forecast of 4.0%, and ahead of the preliminary reading of 4.1% seen last month.

### 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, Aug 30, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs Aug 30	12:55	EUR German Unemployment Change (000's) (AUG)	High	-8k	-8k	-6k
Thurs Aug 30	12:55	EUR German Unemployment Claims Rate s.a. (AUG)	High	5.2%	5.2%	5.2%
Thurs Aug 30	13:30	GBP Net Consumer Credit (JUL)	Medium	0.8b	1.5b	1.52b
Thurs Aug 30	13:30	GBP Mortgage Approvals (JUL)	Medium	64.8k	65.0k	65.4k
Thurs Aug 30	17:00	EUR German Consumer Price Index (YoY) (AUG P)	High		2.0%	2.0%
Thurs Aug 30	17:30	CAD Quarterly Gross Domestic Product Annualized (2Q)	High		3.0%	1.3%
Thurs Aug 30	17:30	CAD Gross Domestic Product (YoY) (JUN)	High		2.3%	2.6%
Thurs Aug 30	17:30	USD Personal Consumption Expenditure Core (YoY) (JUL)	High		2.0%	1.9%
Thurs Aug 30	17:30	USD Initial Jobless Claims (AUG 25)	Medium		213k	210k

Source: Forex Factory, DailyFX

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