

## Gold

### Technical

Gold prices moved lower as the Euro lost ground, generating headwinds for the yellow metal. The dollar was mixed, losing ground against the Yen, as yields pulled back despite a stronger than expected Personal Spending and Income report. International Trade news again focused on Tariff that are scheduled to be issued on China by the United States, also weighed on gold prices. Gold prices moved lower yesterday but held above support levels near the 20-day moving average at 1,198. Resistance on the yellow metal is seen near the August highs at 1,219. Short-term momentum has turned negative as the fast stochastic generated a crossover sell signal just below overbought territory which could foreshadow a correction. Positive momentum on gold prices is decelerating as the MACD histogram is printing in the black with a declining trajectory which points to consolidation.

Pivot:	1,203		
Support	1,196	1,192	1,187
Resistance	1,205	1,208	1,212

Source: FX EMPIRE

### Highlights

- Gold slid below key support of \$1,200 an ounce yesterday, undermined by a firmer dollar following strong U.S economic data
- Spot gold may drop to \$1,185 per ounce as it had broken support at \$1,200
- Gold is about to end the day hovering around \$1,200/oz, down \$6 for the day
- The gold broke to the downside a 36-hour range and fell to \$1,196 (lowest level since last Friday) before bouncing modestly to the upside
- The metal broke below the mark and hit a 1-1/2 year low of \$1,159.96 early this month

### 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



## Crude Oil

### Technical

The WTI Crude Oil market has rallied towards the \$70 level in early trading yesterday, but then pulled back rather significantly. Economists do believe that this market eventually goes higher, but it may need to see some type of pullback in order to take advantage of that. Below current levels, the \$69 level is even more supportive, so overall it is going to continue to see a lot of choppiness, but most certainly with an upward tilt. Brent markets also tried to rally but struggled at the \$78 level. By doing so, it looks as if it is not ready to go anywhere either. Overall though, there are concerns about Iranian oil not hitting the market, it of course the US dollar softened a bit over the last couple of days has helped as well. With a stronger US GDP overall, it suggests that perhaps it will have more economic activity, which of course increases the demand for oil overall.

Pivot:	70.28		
Support	69.80	69.55	69.15
Resistance	70.50	70.95	71.30

Source: FX EMPIRE

### Highlights

- Oil prices rose yesterday to the highest in more than a month
- Iranian crude exports are likely to drop to a little more than 2 million bpd in August, against a peak of 3.1 million bpd in April
- Oil markets held steady today, supported by looming U.S sanctions against Iran's oil exports and falling Venezuelan output
- Shanghai's fast rise reflects China's importance as the world's biggest oil importer
- Shanghai crude oil futures have gained almost 10% in value to 481 yuan (\$70.31) per barrel

### 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 markets held steady today, supported by looming U.S sanctions against Iran's oil exports and falling Venezuelan output, but held back by concerns the trade war between the United States and China could intensify.
- International Brent crude oil futures were at \$77.77 per barrel, unchanged from their last close. U.S West Texas Intermediate crude futures were up 7 cents at \$70.32 a barrel.
- With Venezuelan supply falling sharply and concerns around U.S sanctions against Iran that will target its oil exports from November, crude markets in August are on track to post a more than 4.5 percent rise for Brent and an over 2 percent increase for WTI.
- The November deadline to comply with the U.S demands for an Iran oil embargo is moving closer, and in anticipation, buyers seemingly have begun reducing their purchases.
- In a sign of a tightening market, the amount of unsold crude stored in the Atlantic basin has dwindled from around 30 cargoes to just a handful in recent weeks.
- Brent has risen by almost 10 percent over the past two weeks on widespread perceptions that the global oil market is tightening and could run short in the next few months as U.S sanctions restrict crude exports from Iran.
- A rally that started earlier in the day accelerated as U.S crude rose above \$70 a barrel, and more speculators entered the market. Brent's wide premium to WTI is likely to encourage exports of U.S crude, keeping U.S inventories lower and boosting activity following weekly inventory data.

### 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 got sold off after initially trying to regain the \$14.80 level. It even broke down to the lows again but did find a little bit of support in that area. The \$14.50 level will continue to be crucial, and it needs to be held unless of course the market is ready to go down to the \$14 level. That's a level that's an extraordinarily important on longer-term charts, and as a result there will be a lot of buying down there as well. However, eventually it will see a turnaround, but it need the US dollar to slow down its strength. Overall, the Silver markets are extraordinarily cheap right now, and it's only a matter of time before longer-term buyers come in and pick this market up again. Pay attention to the US dollar, if it rises, typically this will rise as well, and of course the opposite is true.

Pivot:	14.57		
Support	14.49	14.36	14.31
Resistance	14.70	14.83	14.92

Source: FX EMPIRE

### Highlights

- Silver futures rose in Asian trade as the dollar hovered near the closing price, following earlier data from China
- Spot silver fell 1.2 percent at \$14.54 an ounce, earlier sliding to \$14.47, a six-day low
- The dollar index barely reached 94.73 against a basket of major rivals
- 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 \$0.21 at \$14.60 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 moderately lower in early-afternoon U.S trading yesterday. While the safe-haven metals investors are closely watching developments today in the emerging market currencies, so far they have not benefitted from the uncertainty of the matter.
- Silver futures slid over one percent in American trade to August 16 lows, while the dollar index gained ground for the day, following an assortment of US data. Silver futures due in December slid 1.45% to \$14.60 an ounce, while the dollar index climbed 0.18% to 94.77 against a basket of major rivals.
- Earlier US data showed personal spending rose 0.4%, same as June and matching estimates, while personal income rose 0.3% as expected, slowing down from 0.4% in June.
- Core personal spending rose 0.1%, same as before and matching estimates, while growing 2.0% y/y as expected, up from 1.9%. The U.S dollar index moderately up on a corrective bounce after seeing losses this week.
- US unemployment claims rose 3 thousand in the week ending August 25 to 213 thousand, slightly below estimates of 214 thousand, while continuing claims fell 20 thousand in the week ending August 18 to 1.708 million from 1.728 million, beating estimates of 1.740 million.
- World stock markets were mixed to lower overnight. U.S stock indexes are pointed toward weaker openings, on mild profit taking after hitting record highs on Wednesday. The robust risk appetite in the marketplace this week has boosted world equities markets.
- The feature in the marketplace today is weakness in secondary market currencies versus the U.S dollar. Any escalation in this situation would significantly spook the marketplace and likely prompt safe-haven demand for silver.

### 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 31, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Aug 31	04:01	GBP GfK Consumer Confidence (AUG)	Medium	-7	-10	-10
Fri Aug 31	04:30	JPY Jobless Rate (JUL)	Medium	2.5%	2.4%	2.4%
Fri Aug 31	04:50	JPY Industrial Production (YoY) (JUL P)	Medium	2.3%	2.7%	-0.9%
Fri Aug 31	06:00	CNY Manufacturing PMI (AUG)	High	51.3	51	51.2
Fri Aug 31	06:00	CNY Composite PMI (AUG)	Medium	53.8		53.6
Fri Aug 31	11:00	EUR German Retail Sales (YoY) (JUL)	Medium	0.8%	1.3%	2.7%
Fri Aug 31	14:00	EUR Euro-Zone Consumer Price Index Core (YoY) (AUG A)	High	1.0%	1.1%	1.1%
Fri Aug 31	18:45	USD Chicago Purchasing Manager (AUG)	Medium		64	65.5
Fri Aug 31	22:00	USD Baker Hughes U.S. Rig Count (AUG 31)	Medium			1044

Source: Forex Factory, DailyFX

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