

## Gold

### Technical

Gold has touched the 1,282.00 as speculative activity is driving the markets higher. The demand for safe haven assets in propelling the demand for gold and the positive sentiment is strengthening. Investors anxiously await the U.S. inflation figures tomorrow for further cues regarding the United States economy status. Technically speaking, the current market price around 1,280 is the last major resistance level, before the 1,300 round mark. The Key price support level that has been tested successfully several times is the 1,260 region. The metal is heavily traded within the middle of the current short-term main price range, between 1,260 and 1,300 and is expected to remain around this price level at least until the next FOMC meeting minutes next Wednesday, unless unexpected event will turn the cards upside-down. I believe that we will continue to see volatility in this market.

Pivot:	1,278		
Support	1,270	1,266	1,261
Resistance	1,283	1,288	1,297

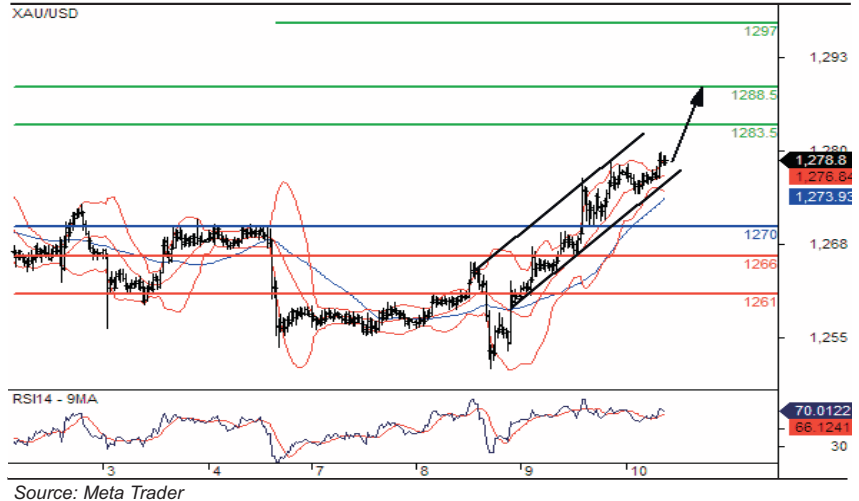
### Highlights

- Gold futures yesterday scored their sharpest daily rise since mid-May amid a war of words between the U.S. and North Korea
- Gold jumped \$16.70, or 1.3%, to \$1,279.30 an ounce
- Gold posting its biggest single-session jump since May 17 when the metal added \$22.30 or 1.8%
- North Korea's recent threat to launch a missile strike at U.S territory Guam has helped to elevate buying in global financial markets
- The U.S dollar index was trading roughly flat at 93.63

### Gold - Technical Indicators

RSI 14	78.49
SMA 20	1,205.2
SMA 50	1,174.3
SMA 100	1,198.5
SMA 200	1,225.8

### Gold Daily Graph



### Fundamentals

- Gold lingered near a two-month high hit earlier on Thursday, as rising tensions on the Korean peninsula continued to support safe-haven demand. North Korea dismissed today warnings by U.S. President Donald Trump that it would face "fire and fury" if it threatened the United States.
- Safe-haven demand has settled down to a certain extent, but the market is still expecting more news to come," said Brian Lan, managing director at gold dealer GoldSilver Central in Singapore.
- North Korea doesn't seem like they're going to back down and the U.S. has also made a very strong stance this time. Geopolitical risk can boost demand for assets seen as safe-havens such as gold.
- Spot gold crept up 0.1 percent to \$1,278.51 per ounce. The precious metal climbed 1.3 percent in the previous session, its biggest gain since mid-May, and touched \$1,279.64 an ounce, its highest level since June 9. U.S. gold futures for December delivery rose 0.4 percent to \$1,284.40 per ounce.
- Asian stocks steadied and U.S. Treasury bond prices fell slightly on Thursday as the risk aversion triggered by tensions between the United States and North Korea began to settle.
- Amid all the sabre-rattling, we expect gold prices to continue to move higher and likely cross the \$1,300 an ounce mark in relative short order. The market was also waiting for data that would offer clues about the extent to which the strengthening U.S labour market is spilling over into inflation.
- Investors tend to be more cautious ahead of economic data, especially when the prices are high. They might take profits first and wait to see what's going to happen before they move into the market again.
- In other precious metals, silver rose 0.8 percent to \$17.04 per ounce after hitting its highest since June 15 earlier in the session.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

The WTI Crude Oil market continues to show extreme volatility, as we continue to consolidate between the \$48.50 level on the bottom, and the \$49.50 level on the top. The resistance extends to the \$50 level because of its psychological importance, so I think that a bit of back-and-forth and the short-term type of range bound trading is probably about as good as it's going to get. If we were to break above the \$50.50 level, I think that the market could go much higher. However, if we break down below the \$48.50 level, the market should break down and reach towards \$47.50. Brent markets had a bit of a rally during the day but still continue to find resistance near the \$52.50 level. We are essentially making a larger "ascending triangle", but we don't have the momentum to break out quite yet. If we can clear the \$53 level, the market should go much higher.

Pivot:	49.83		
Support	49.45	49.10	48.90
Resistance	50.15	50.43	50.70

### Highlights

- Oil futures inched down in U.S session despite official figures showing U.S crude inventories fell more than expected
- U.S Crude was down 3 cents at \$49.52, after rising to \$49.69 earlier
- U.S crude stockpiles fell last week as refineries boosted output to the highest percentage of capacity in 12 years
- U.S. oil inventories dropped by 6.5 million barrels last week
- Refiners processed nearly 17.6 million barrels of crude, surpassing a record set in May

### Crude - Technical Indicators

RSI 14	37.83
SMA 20	46.58
SMA 50	50.15
SMA 100	51.59
SMA 200	49.94

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices rose today in Asian trading session, lifted by a sustained decline in inventories and as Saudi Arabia prepared to cut crude supplies to its prized Asian customers.
- Crude is down nearly 7 percent so far this year, suppressed in large part by concern that OPEC and its partners may not be able to force global oil inventories to drop by cutting production.
- Saudi Arabia said on Tuesday it would cut supplies to most buyers in Asia - the world's biggest oil-consuming region - by up to 10 percent in September. U.S. West Texas Intermediate crude was up 54 cents at \$50.10 a barrel.
- In a sign that investors are turning more optimistic about the pace at which oil supply and demand are rebalancing, prices for crude for prompt delivery are trading above those for delivery further in the future. This is the march toward the flattening of the curve.
- The major event now going forward is the Middle East and Asian refineries rushing back into operation and consuming more crude, just as Saudi Arabia says it will cut September deliveries to Asia.
- The last time prompt prices traded so consistently above futures was in mid-2014 just before a tidal wave of surplus oil washed the crude price below the \$100 milestone.
- OPEC raised its outlook for oil demand in 2018 and cut its forecasts for output from rivals next year, although another increase in the group's production suggested the market will remain in surplus despite efforts to limit supply.
- The physical market is also showing signs of stronger near-term demand, after having suffered from a persistent overhang of unused crude. Inventories in the United States are at their lowest since October.

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Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

## Silver

### Technical

The silver market exploded to the upside yesterday, as we broke above the \$16.50 level. This was due to rhetoric coming out of both Pyongyang and Washington DC, as there seems to be a significant amount of tension on the Korean peninsula. Cooler heads will prevail though, because a nuclear war suddenly popping up would be a bit of a surprise to say the least. Because of this, I think that the impulsivity of this move is probably short-lived. I believe in selling signs of exhaustion when they appear, but obviously we don't have it quite yet. The \$17 level above could cause that, so I believe that signs of rolling over near that level would be an opportunity to go short. However, if we break above the \$17 level with some type of vigor, I think at that point the silver market should continue to reach towards the \$17.50 level. The market should continue to see volatility.

Pivot:	17.01		
Support	16.75	16.65	16.56
Resistance	17.28	17.38	17.51

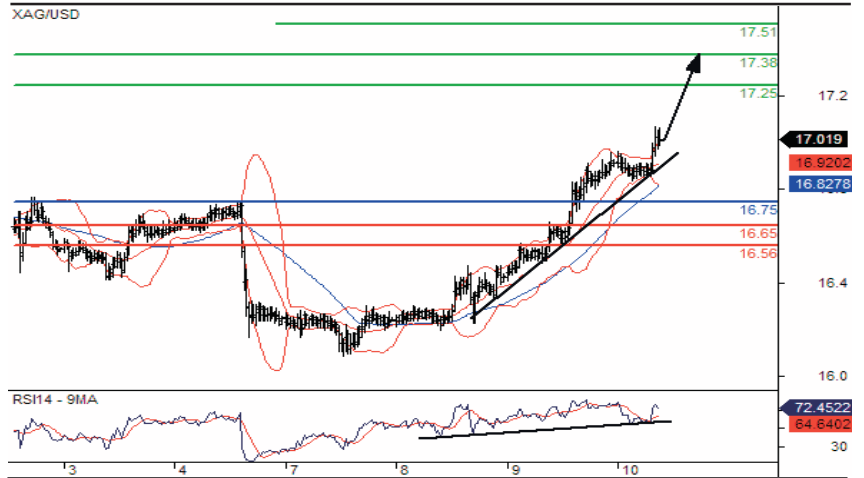
### Highlights

- Silver values rose as haven buying drove precious metals higher amid escalating tensions on the Korean peninsula
- The September futures contract rose 27 cents, or 1.6%, to \$16.66 a troy ounce
- The grey metal was hovering near session highs, having established little downside during overnight trade
- Tensions concerning North Korea also weighed on U.S. stock futures
- Chinese consumer inflation weakened unexpectedly last month

### Silver - Technical Indicators

RSI 14	77.87
SMA 20	16.83
SMA 50	16.57
SMA 100	17.06
SMA 200	17.16

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver prices climbed to fresh two-month highs today amid a bout of risk aversion that was triggered by North Korea tensions. Silver for September delivery surged 24 cents, or 1.4%, to \$17.10 a troy ounce. That puts the grey metal on track for its highest settlement in two months.
- Prices were trading at session highs in the early morning after establishing a session low of \$16.85. Gold futures traded at more than two-month highs on Thursday. The December futures contract rallied \$7.10, or 0.6%, to \$1,286.40 a troy ounce.
- Gold's premium over silver has plummeted this week to 73.78. Gold's premium rose to a multi-year high of 76.63 last month. Precious metals caught a tailwind Wednesday after a war of words between the United States and North Korea drove investors into the safety of traditional haven assets.
- Risk aversion triggered a large drop in Asian and European equities, with Wall Street soon following. The U.S. dollar index (DXY) climbed 0.2% Thursday morning to trade at 93.72.
- The DXY basket was held in check earlier by a resurgent yen, which is widely regarded as a regional haven currency. In monetary policy news, the Reserve Bank of New Zealand (RBNZ) agreed on Thursday to keep its benchmark interest rate at a record low of 1.75%.
- The central bank acknowledged that "monetary policy will be accommodative for a considerable period" amid a weak inflation outlook. Reserve Bank Governor Graeme Wheeler said that a lower New Zealand dollar is needed to boost trade-related inflation and deliver more sustained growth.
- In economic data, Chinese consumer inflation weakened unexpectedly last month, while producer prices held steady. The July CPI declined to 1.4% compared to a year ago, following a reading of 1.5% the previous month.

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	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Friday, August 11, 2017



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Aug 11	02:00	NZD REINZ House Sales (YoY) (JUL)	Medium	-24.5%		-24.7%
Fri Aug 11	03:30	NZD Business NZ Performance of Manufacturing Index (JUL)	Medium	55.4		56
Fri Aug 11	04:30	AUD RBA's Lowe Before House Economics Committee in Melbourne	High			
Fri Aug 11	11:00	EUR German Wholesale Price Index (YoY) (JUL)	Low	2.2%		2.5%
Fri Aug 11	17:30	USD Consumer Price Index (YoY) (JUL)	High	1.7%	1.8%	1.6%
Fri Aug 11	17:30	USD Consumer Price Index Ex Food & Energy (YoY) (JUL)	High	1.7%	1.7%	1.7%
Fri Aug 11	17:30	USD Real Avg Weekly Earnings (YoY) (JUL)	Medium			1.2%
Fri Aug 11	17:30	USD Real Avg Hourly Earnings (YoY) (JUL)	Medium			0.9%
Fri Aug 11	22:00	USD Baker Hughes U.S. Rig Count (AUG 11)	Medium			954

Source: Forex Factory, DailyFX

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