

## Gold

### Technical

Gold markets rallied during the day on Wednesday, reaching towards the \$1250 level. If we can break above there, the market should then can go much higher. In the meantime, I believe the pullbacks will continue to find support underneath, especially near the \$1220 level. The 100-exponential moving average should be supportive, and I believe the given enough time we will not only reach the \$1250 level, but continue to go much higher. Selling is an even a thought now, as gold markets look to be so healthy. Every time we pull back you would have to believe that people would be looking to pick up value. Momentum has recently turned positive as the MACD (moving average convergence divergence) index generated a crossover buy signal. The index is printing in the black with an upward sloping trajectory which points to higher prices for the yellow metal.

Pivot:	1,240		
Support	1,236	1,230	1,227
Resistance	1,244	1,248	1,252

### Highlights

- Gold futures climbed for a fifth-straight session yesterday
- Geopolitical uncertainty kept prices at their highest settlement level in about 13 weeks
- SPDR holdings rose 0.68 percent to 832.58 tonnes on Wednesday from Tuesday, rising for a sixth straight session
- The yield on the long bonds has declined and the dollar has weakened
- The gold rally appears intact, but economists think a near-term bout of profit-taking may materialize at any time

### Gold - Technical Indicators

RSI 14	72.56
SMA 20	1,213.0
SMA 50	1,180.5
SMA 100	1,208.2
SMA 200	1,266.3

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold held near 3-month highs today in Asian session as political risks from elections in Europe and worries over U.S. President Donald Trump's policies buoyed safe haven demand for the bullion.
- Spot gold dipped 0.1 percent to \$1,240 per ounce. Yesterday, the metal touched its highest since Nov. 11 at \$1,244.67. U.S. gold futures rose 0.2 percent to \$1,241.30 an ounce.
- Gold prices will be a little bit rangebound with some upside bias for the next few weeks or so. The risk factors have not really changed so far - we're talking about Donald Trump, we're talking about the political situation in Europe and because of all these factors, we do expect market watchers to stay cautious into the months ahead to gauge how the global economy is going to perform.
- Investors are concerned about the strong showing in the French presidential race of far-right candidate Marine Le Pen, who has promised to take France out of the euro zone and to hold a referendum on European Union membership.
- Controversy over U.S. President Donald Trump's temporary travel ban on people from seven Muslim-majority countries has recently boosted gold as a safe-haven asset. Geo-political risks continue to underpin gold in the face of the prospect of higher U.S. interest rates this year.
- Increasing hostilities in the Ukraine, Greek bailouts, French elections, Iran-U.S. sabre-rattling have all combined to see investors flee to safe havens, of which gold is the main beneficiary.
- The Fed raised rates for only the second time since the financial crisis in December, and most Fed policymakers agree that three more rate hikes this year would be appropriate. Investors' bullish stance on gold is underpinned by an increase in net longs by speculators and a rise in holdings of SPDR Gold Trust, the world's largest gold-backed ETF.

### 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 bounce during the day on Wednesday, as we continue to grind back and forth over all. The blue box on the chart represents the consolidation that we have seen time and time again, as traders have to weigh the fundamental issues that present themselves. We have the OPEC block cutting production, which of course is bullish, but at the same time we have elevated prices that make it possible for North American drillers to get involved via shale oil. Because of this, the inventory numbers continue to be very bearish, and ironically during the session we had a bounce because of the inventory build was "less bad" than feared. Nonetheless, it is an extraordinarily bearish reading yet again, and with this I believe that it is going to eventually overwhelm the market. Because of this, I'm looking for a selling opportunity closer to the \$54 handle again.

Pivot:	52.57		
Support	52.00	51.54	51.20
Resistance	52.90	53.39	53.85

### Highlights

- Oil prices proved resilient, settling higher despite data showing the second-largest weekly climb on record for U.S. crude supplies
- Market players attributed the move higher in oil futures to gains in gasoline futures
- West Texas Intermediate crude rose 17 cents, or 0.3%, to settle at \$52.34 a barrel
- The U.S. Energy Information Administration yesterday reported a larger-than-expected increase in crude-oil supplies
- Crude inventories climbed by 13.8 million barrels for the week ended Feb. 3

### Crude - Technical Indicators

RSI 14	50.42
SMA 20	53.00
SMA 50	52.92
SMA 100	50.42
SMA 200	48.19

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices rose today in Asian session, boosted by an unexpected draw in U.S. gasoline inventories, although bloated crude supplies meant that fuel markets remain under pressure.
- Brent crude futures, the international benchmark for oil prices, were trading at \$55.52 per barrel, up 40 cents, or 0.7 percent, from their last close. U.S. West Texas Intermediate (WTI) crude CLc1 was up 39 cents, or 0.8 percent, at \$52.73 a barrel.
- The U.S. Energy Information Administration (EIA) said on Wednesday that gasoline stocks fell by 869,000 barrels last week to 256.2 million barrels, versus analyst expectations for a 1.1 million-barrel gain.
- The surprise increase in U.S. gasoline inventories had helped push up crude, although most added that fuel markets were still bloated and that this would likely prevent further big price rises. We remain highly skeptical of the overnight price action.
- U.S. commercial crude inventories soared by 13.8 million barrels to 508.6 million barrels, according to the EIA. U.S. bank Goldman Sachs said that high fuel inventories as well as rising U.S. crude production mean that oil markets will remain over-supplied for some time.
- Ongoing high inventories undermine efforts by the Organization of the Petroleum Exporting Countries and other producers including Russia to cut output by almost 1.8 million bpd during the first half of this year in order to prop up prices and rebalance the market.
- Agreed production cuts by OPEC and Russia are supporting prices, but heavy refinery maintenance, and production growth in Libya, Nigeria and the (U.S.) Permian will cap gains. Both Brent and WTI are down around 5 percent since early January.

### 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	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 markets rallied during the day on Wednesday, as we continue to see buyers enter this market. We then should reach towards the \$18 level given enough time. I think the break above there we should then see the market reach towards the \$18.50 level, which is my longer-term target. We have significant support below, so therefore I feel that pullbacks will be buying opportunities going forward. The \$17 level underneath is the "floor" in this market. Every time we pull back, I believe that people will rush into this market as there has been a significant moved to the upside over the last several weeks. Silver is acting well despite USD strength. silver is working on continuing to rise out of a bullish bottoming pattern. The July trend-line was breached the other day and as long as it can stay above it has room to run. A break below the trend-line would bring caution.

Pivot:	17.74		
Support	17.65	17.60	17.53
Resistance	17.87	18.00	18.10

### Highlights

- Political risks from elections in Europe and worries over U.S President Trump's policies supported precious metals demand
- Investors are concerned about the strong showing in the French presidential race of far-right candidate Marine Le Pen
- Travel ban on people from seven Muslim countries has recently boosted metal's price
- The dollar index rose 0.3% to 100.59, its highest in nearly three weeks
- Silver have been on sharp upward trajectories for most of 2017

### Silver - Technical Indicators

RSI 14	68.51
SMA 20	17.30
SMA 50	16.75
SMA 100	17.05
SMA 200	18.11

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver prices traded within a narrow range in yesterday's trading session, holding on to weekly gains, as upward mobility in the U.S. dollar continued for a sixth straight session.
- The March contract for silver futures traded at \$17.76 a troy ounce, little changed from the previous close. Prices fluctuated between \$17.62 and \$17.77 overnight.
- The grey metal has added 1.6% through the first half of the week and is up 3.6% for the month of February. Silver has been on sharp upward trajectories for most of 2017 amid geopolitical risks and safe haven demand. A sliding U.S. dollar during the month of January also strengthened the investment appeal of greenback-denominated commodities.
- However, silver's performance yesterday was limited by a rebounding U.S. dollar, which rose for a sixth straight session. The dollar index, a measure of the buck against a basket of six peers, rose 0.3% to 100.59, its highest in nearly three weeks. The U.S. currency has rallied more than 1% since bottoming near three-month lows on January 31.
- U.S equity futures were also trading slightly higher in the pre-market, pointing to a mostly positive start to the day. Wall Street finished mostly higher on Tuesday, with the Nasdaq hitting a new record.
- Investors are keeping close tabs on a U.S. federal court decision over Donald Trump's executive order banning immigrants from seven Muslim-majority countries. Trump's immigration policy and protectionist stance have sent reverberations throughout the global financial markets.
- Controversy over U.S. President Donald Trump's temporary travel ban on people from seven Muslim-majority countries has recently boosted gold and silver as a safe-haven asset.

### 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	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

Thursday, February 09, 2017



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Feb 09	01:00	NZD Reserve Bank of New Zealand Rate Decision (FEB 09)	High	1.75%	1.75%	1.75%
Thu Feb 09	02:00	NZD RBNZ's Wheeler news conference on policy statement	High			
Thu Feb 09	04:50	JPY Machine Orders (YoY) (DEC)	Medium	6.7%	4.5%	10.4%
Thu Feb 09	05:01	GBP RICS House Price Balance (JAN)	Medium	25%	22%	23%
Thu Feb 09	11:45	CHF Unemployment Rate (JAN)	Medium	3.7%	3.6%	3.5%
Thu Feb 09	12:00	EUR German Trade Balance (euros) (DEC)	Medium	18.7b	20.5b	22.7b
Thu Feb 09	18:30	CAD New Housing Price Index (YoY) (DEC)	Medium			3.0%
Thu Feb 09	18:30	USD Initial Jobless Claims (FEB 04)	Medium		249k	246k
Thu Feb 09	20:00	USD Wholesale Inventories (DEC)	Medium		1.00%	1.00%

Source: Forex Factory, DailyFX

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