

Gold

Technical

Gold markets went back and forth during the day on Friday, showing signs of neutrality. I believe if we can break above the top of the candle though, this could send the market higher. Currently, I believe the gold is trying to enter a somewhat bullish market, and the breaking of the 100-day exponential moving average of course gives more credence to that theory as well. Because of this, I have no interest in shorting and believe the pullbacks will continue to offer buying opportunities based upon value. However, I do acknowledge that there is a lot of noise just above current trading levels. Based on the current price at \$1235.00, the direction of the April Comex gold market today will be determined by trader reaction to the 50% level at \$1232.00. A sustained move over \$1232.00 will indicate the presence of buyers. If \$1232.00 fails as support then look for \$1229.50.

Pivot:	1,234		
Support	1,229	1,226	1,224
Resistance	1,237	1,239	1,244

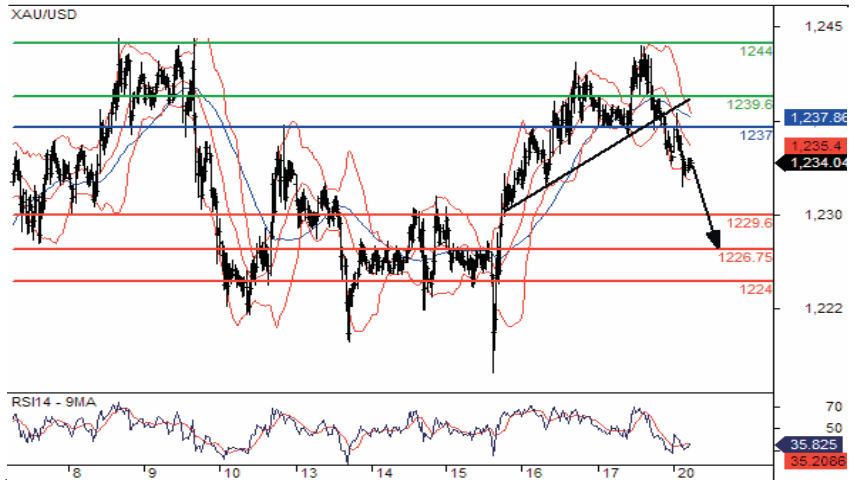
Highlights

- Gold prices ended with a loss on Friday, but tallied a third consecutive weekly gain
- Political uncertainty continued to boost investment demand for the metal last week
- Gold remains bullish in the short term amid the rising political risks across the globe and could edge higher towards \$1,250
- April gold fell \$2.50, or 0.2%, to settle at \$1,239.10 an ounce
- Although the strong likelihood of the Fed raising U.S. interest rates this year may pressure gold in the longer term

Gold - Technical Indicators

RSI 14	64.37
SMA 20	1,224.8
SMA 50	1,197.7
SMA 100	1,202.3
SMA 200	1,261.2

Gold Daily Graph



Fundamentals

- Gold prices held steady today, with investors looking ahead to a clutch of speeches from US Federal Reserve officials later in the week for clues on the timing of possible interest rate hikes.
- Spot gold had edged down 0.1% to \$1,234.28/oz, while US gold futures fell 0.3% to \$1,235.2. We expect muted trading to start the week in Asia with a US holiday today, although a break in gold of \$1,231 may flush away some nervous long positions.
- The US markets are closed today for the Presidents' Day holiday. Asian share markets were mixed as political uncertainty globally kept the mood cautious, while the US dollar recouped early losses ahead of the busy week for the Fed.
- The Dollar was mostly unchanged against a basket of currencies at 100.93. At least five Fed officials are due to speak this week, while Fed Board governor Jerome Powell appears on Wednesday.
- Cleveland Fed president Loretta Mester said on Monday she would be comfortable raising interest rates at this point if the economy kept performing the way it did.
- Speculation the central bank could hike as soon as March has generally underpinned the greenback, although large long positions leave the market vulnerable to sudden pullbacks. Bullion is highly sensitive to rising US interest rates, as these increase the opportunity cost of holding nonyielding bullion, while boosting the dollar, in which it is priced.
- On the fundamental side, although a stronger dollar and buoyant US equity could potentially act as a drag on gold, other variables will probably prevent a more significant selloff. Concern over US President Donald Trump's policies fuelled gold's rise to a peak of \$1,244.67 on February 8, the strongest in nearly three months.

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

Crude Oil market fell on Friday, as we continue to bounce around in a very choppy manner. The market is currently looking at OPEC production cuts from the bullish side, while oversupply continues to be an argument from the bearish side. We have been consolidating between the \$51 level on the bottom, and the \$54 level on the top. In the meantime, I think that we simply go back and forth but longer-term I'm starting to think that perhaps the sellers will take over. This is because no matter the production cuts, the inventory numbers continue to go higher. Because of this, I believe that the bearish pressure will be too much in the end, but in the meantime, you must trade the range as it's what the market is giving you. If we break above the \$55 level, the market should continue to go much higher. In fact, we could reach as high as \$60, but that's the absolute ceiling in the market.

Pivot:	53.42		
Support	53.25	53.08	52.88
Resistance	53.59	53.75	53.95

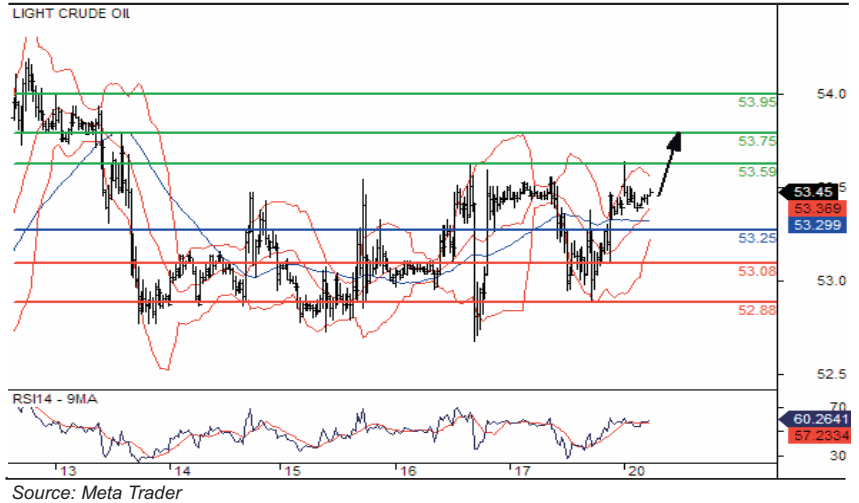
Highlights

- Crude futures traded slightly higher, but the market struggled on signs that the U.S. oil production is on a steady uptrend
- Crude futures for delivery in March traded at \$53.58 a barrel up 0.3%,
- Low volatility is the result of exuberance of production cuts and concerns over rising inventories in the U.S
- Oil came under pressure over the weekend after number of rigs in the U.S rose
- U.S crude production has risen around 3.2% since late last year

Crude - Technical Indicators

RSI 14	58.09
SMA 20	53.29
SMA 50	53.06
SMA 100	50.68
SMA 200	48.38

Crude Oil Daily Graph



Fundamentals

- Oil prices rose today in Asian trading session but the gains were limited as investors gauged whether an increase in U.S. drilling rigs and record stockpiles would undermine efforts by producers to cut output and bring the market into balance.
- Brent futures were up 23 cents at \$56.04 a barrel, while U.S. West Texas Intermediate crude was up 19 cents at \$53.59. Both contracts earlier fell slightly in quiet trading.
- Sustained gains above \$55 a barrel, and a hoped for rally to \$60 a barrel, are both proving incredibly tough nuts to crack. At the crux of the matter is that 90 percent OPEC compliance is being balanced by ever increasing U.S. shale production.
- U.S. energy companies added oil rigs for a fifth consecutive week, Baker Hughes said on Friday, extending a nine-month recovery with producers encouraged by higher prices, which have traded mostly over \$50 a barrel since late November.
- Overall, 2017 U.S. production will rise by an average 130,000 bpd from a year ago. The Organization of the Petroleum Exporting Countries (OPEC) and other producers, including Russia, agreed last year to cut output by almost 1.8 million barrels per day (bpd) during the first half of 2017.
- Estimates indicate compliance with the cuts is at around 90 percent, while Reuters reported last week that OPEC could extend the pact or apply deeper cuts from July if global crude inventories fail to drop enough.
- But rising U.S. output helped boost crude and gasoline inventories to record highs last week, amid faltering demand growth for the motor fuel. Saudi Arabia's crude oil exports in December fell to 8.014 million bpd from 8.258 million bpd in November, official data showed today.

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

Silver markets fell a little bit during the day on Friday, but continue to find buyers at the \$18 level. I feel it's only a matter of time before we continue to grind higher, and a break above the top of the candle for the Thursday session is reason enough for me to serve buying and aiming for the \$18.50 level. Pullbacks should continue to find plenty of support and I believe that the buyers are firmly taking control of the market. What I find most interesting is and even the candle stick or the level, it's the moving averages. Below current pricing is the 50-day exponential moving average, the 100-day exponential moving average, and the 200-day exponential moving averages. The fact that they are starting to cross to the upside, it's likely that the longer-term trend is changing, and that should send Silver to much higher levels given enough time.

Pivot:	17.95		
Support	17.82	17.73	17.65
Resistance	18.07	18.14	18.21

Highlights

- Prices eased slightly in Asian session after a further signal that a rate hike in March is a solid possibility
- Today the U.S markets are closed for an international holiday
- The Fed is to publish the minutes of its February meeting on Wednesday
- Investors will be looking to U.S housing data in order to see the rise in consumer spending and inflation
- Markets will also be watching survey data on private sector activity in the euro zone tomorrow

Silver - Technical Indicators

RSI 14	66.87
SMA 20	17.71
SMA 50	17.06
SMA 100	17.10
SMA 200	18.19

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices declined on Friday, but were still on track for narrow weekly gains as market fundamentals moved in favor of precious metals. Silver for May deliver fell 5 cents, or 0.3%, to \$18.09 a troy ounce. Late Friday trading was limited to a range of \$17.99 and \$18.10.
- The grey metal is on track for a narrow weekly gain, a sign the uptrend was still firmly intact. Prices are up nearly 13% since the start of the year and more than 14% from their mid-December lows.
- A stronger U.S. dollar pressured gold and silver prices in Friday's trading session, as the currency consolidated from a sharp decline the previous session. The dollar index rose 0.2% to 100.63, and has now gained more than 1% since the start of February. The greenback was up against the pound and euro Friday morning.
- Precious metals are priced in U.S. dollars, and are therefore highly sensitive to fluctuations in the currency. Global stocks were down across the board on Friday, with Asian markets hitting the brakes after a choppy week of trading. Japan's 225-issue Nikkei fell 0.6%, having briefly touched a six-day low earlier in the session.
- In Singapore, Cleveland Federal Reserve President Loretta Mester said on Monday she would be comfortable raising interest rates at this point if the economy kept performing the way it did.
- In the holiday shortened week ahead, the Fed is to publish the minutes of its February meeting on Wednesday, which will be scrutinized for clues on the timing of the next rate hike.
- Investors will be looking to U.S housing data in order to see whether the rise in consumer spending and inflation is translating into higher house prices and a pick-up in home sales.

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

Monday, February 20, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Feb 20	02:30	NZD Performance Services Index (JAN)	Medium	59.5		58.4
Mon Feb 20	04:50	JPY Adjusted Merchandise Trade Balance (Yen) (JAN)	Medium	¥155.5b	¥275.5b	¥327.5b
Mon Feb 20	05:01	GBP Rightmove House Prices (YoY) (FEB)	Medium	2.3%	2.8%	3.2%
Mon Feb 20	12:00	EUR German Producer Prices (YoY) (JAN)	Low		2.0%	1.0%
Mon Feb 20	12:00	JPY Convenience Store Sales (YoY) (JAN)	Low			0.5%
Mon Feb 20	14:00	CHF Domestic Sight Deposits CHF (FEB 17)	Low			464.5b
Mon Feb 20	18:30	CAD Wholesale Sales (MoM) (DEC)	Low			0.2%
Mon Feb 20	19:50	GBP Bank of England Bond Buying Operation	Low			
Mon Feb 20	20:00	EUR Euro-Zone Consumer Confidence (FEB)	Medium		-4.9	-4.9

Source: Forex Factory, DailyFX

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