

## Gold

### Technical

Gold markets went sideways during early trading on Monday, as the market appears to be in a bit of a holding pattern. Ultimately, I think that it's only a matter of time before the buyers get involved though, especially considering that the US dollar has been struggling as of late. The \$1350 level has been important more than once, and in both directions. Ultimately, I think that if we break to the upside, it's likely that we will go looking towards the \$1400 level, an area that I think is very significant longer-term. When we break above the \$1400 level, I think that will bring in a fresh flood of buyers. If we pull back from here in the meantime, I believe that \$1325 level underneath will be a bit of a floor, so even if we do pull back from here it's likely that there should be plenty of support to be found. I look at pullbacks and gold as potential value. US Dollar may struggle the rest of the year.

Pivot:	1,339		
Support	1,336	1,320	1,322
Resistance	1,349	1,356	1,362

Source: FX EMPIRE

### Highlights

- Gold prices fell today in European session, pulled lower as the dollar continued to rebound from a recent spate of selling
- April gold fell \$16.10, or 1.2%, to \$1,340.20 an ounce in electronic trading
- The Dollar Index was up 0.6% to 89.596, as the greenback made strides against euro and yen
- A weaker Dollar can boost commodities priced in dollar
- Gold fell modestly yesterday, albeit in thinner action, as many traders took the day off for the Presidents Day holiday

### Gold - Technical Indicators

RSI 14	63.56
SMA 20	1,253.2
SMA 50	1,246.1
SMA 100	1,276.3
SMA 200	1,284.8

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices slid for a third straight session today as the U.S Dollar rebounded from over three-year lows, while investors waited for the minutes of the latest Federal Reserve meeting for clues on the outlook for U.S. interest rates.
- Spot gold was down 0.2 percent at \$1,343.22 an ounce. U.S gold future slipped 0.8 percent to \$1,345.70 per ounce. The U.S Dollar index, which measures the greenback against a basket of currencies, was up 0.2 percent at 89.295.
- The U.S. currency showed signs of a bounce back as some investors bought in after it fell to over three-year lows last week. Asian stocks dipped today, their recent recovery slowing after European equities broke a winning streak.
- The minutes of the U.S. Federal Reserve's last policy meeting, held on Jan. 30-31 amid the equities tumble, are due on Wednesday. Besides the outlook on rates, investors will be keen to see what the Fed made of the market gyrations.
- Euro zone finance ministers expressed broad support in yesterday's session to allow their bailout fund ESM to become a backstop for the Single Resolution Fund (SRF) for banks, the chairman of the ministers Mario Centeno told a news conference.
- German Social Democrats (SPD) start voting in a postal ballot on Tuesday on whether the centre-left party should go ahead with the agreement its leaders clinched last week to renew their power-sharing alliance with the chancellor' Angela Merkel's conservatives.
- South Africa's new leadership headed by newly-elected President Cyril Ramaphosa is a 'credit positive' for many of the country's top gold and platinum miners. The value of global mining and metals deals hit a four-year high in 2017, according to accountancy firm EY, as financial distress abated and companies sold off non-core assets.

### 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 rallied a bit during the day on Monday, as we continue to see a bit of a relief rally after the massive selloff. The \$63 level above should begin a significant amount of resistance though, because not only do we have a cluster in that area, but we also have the previous uptrend line that should now offer a bit of resistance. If we roll over from here, I think that the market probably drops towards the \$60 level, but if we do rally above the \$63 level, I think there is another barrier that you need to worry about at the \$65 level. Brent markets rallied slightly during the day as well, as we are approaching the \$66 level. That is an area that coincides not only with a previous low, which of course should now be somewhat resistive, but a previous uptrend line that will course have an influence on the market. Pay attention to the US dollar, if it continues to selloff that could help Brent markets.

Pivot:	62.16		
Support	61.30	60.50	59.75
Resistance	63.25	63.75	64.20

Source: FX EMPIRE

### Highlights

- Crude oil prices fell today, pulled down by a stronger dollar and a bout of profit-taking
- U.S West Texas Intermediate (WTI) crude futures were up 20 cents from their last close on Friday at \$61.88 a barrel
- Reduced supply from Canada to the United States caused by pipeline reductions were supporting WTI
- Logistical constraints in the United States have even caused prices for regional grades to diverge
- Oil markets remain supported by supply restraint on the part of the OPEC

### Crude - Technical Indicators

RSI 14	57.06
SMA 20	44.65
SMA 50	46.23
SMA 100	47.56
SMA 200	53.27

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices were mixed today, as lower-than-expected inventories buoyed the U.S. crude grade while refinery maintenance in Europe weighed on oil prices in the region.
- Brent crude, the global benchmark, fell 0.7% to \$65.24 a barrel on London's Intercontinental Exchange. On the New York Mercantile Exchange, West Texas Intermediate futures were trading up 0.8% at \$62.19 a barrel.
- Investors are assessing conflicting U.S. data from last week about surging U.S. shale output coupled with a lower than expected build up in U.S. stocks and falling oil inventories at Cushing, Okla., which have declined by nearly 50%, according to analysts at Standard Chartered.
- Now refinery maintenance in several regions including Europe is putting a damper demand for crude causing a divergence of the crude grades. "You still have those low stocks in Cushing supporting WTI on the other hand you have stock builds in the U.S. Gulf," said Olivier Jakob, managing director of Petromatrix, an oil research firm in Switzerland.
- There are also some signs of physical pressure in the crude oil market in Europe, partly due to lower crude oil demand due to refinery maintenance. Still, oil found support last week after resource-rich Saudi Arabia reaffirmed its partnership with the Organization of the Petroleum Exporting Countries and external producers such as Russia in their efforts to eliminate about 2% of global supply.
- Crude prices closed at a one-week high Friday, after having fallen by more than 12% in the first weeks of February, weighed down by concerns of surging U.S. output eclipsing demand as forecast by the International Energy Agency. OPEC and other analysts have issued differing views from the IEA. Some analysts say that shale may not be enough to meet future demand.

### 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 went sideways on Monday, as precious metals markets were rather quiet. I believe that the US dollar is the main driver of the Silver markets, and I believe that if the US dollar falls, that will be reason enough for silver to go reaching towards the \$17 level above, which has been resistance. I believe the \$16.50 level underneath is supportive, and I believe that the market is going to find plenty of reason to go higher over the longer term, so I look at those pullbacks as nice buying opportunities. The \$17.50 level above is a bit of a "ceiling" in the market, but I don't think it will hold in the long term. If we do break down from here, I believe that the \$15 level underneath is the absolute "floor" in the market, and I believe that it is only a matter of time before the buyers would flush in looking for value in that area. To be honest though, I would be stunned if we reached that level.

Pivot:	16.46		
Support	16.35	16.25	16.16
Resistance	16.63	16.73	16.84

Source: FX EMPIRE

### Highlights

- Silver prices have lost some of their modest early gains during the U.S trading action on Friday
- A rebound in the U.S dollar index after it dropped to a three-year low overnight is slightly pressuring the yellow metal
- Some mild profit-taking from last week's big gains, heading into a three-day U.S holiday weekend, also featured in silver
- The U.S stock market is coming under some pressure on this last trading day of the week.
- If volatility heats up in the stock market could prompt safe-haven demand for gold and silver

### Silver - Technical Indicators

RSI 14	19.80
SMA 20	17.27
SMA 50	16.72
SMA 100	16.85
SMA 200	16.87

Source: FX EMPIRE

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver prices were weighed down by a stronger dollar today, dropping for the third session, but were underpinned by geopolitical worries and uncertainty about this week's huge U.S bond auctions.
- The dollar continued its rebound from three-year lows as investors believed the currency was due an upward correction after a brutal sell-off in recent weeks.
- A buoyant dollar makes commodities priced in the greenback more expensive for buyers using other currencies. Precious metals may get a boost later on Tuesday, however, when the U.S government launches a series of auctions for \$258 billion worth of debt this week.
- "We have a barrage of U.S. debt being auctioned off and if there is less than the required appetite for that mountain of debt, that could weaken the dollar and support gold," said Ole Hansen, head of commodity strategy at Saxo Bank in Copenhagen.
- Geopolitical uncertainty ranging from disunity at the recent Munich security conference to threatened U.S. trade sanctions may increase safe haven demand for gold and silver.
- Gold and investors will also be eyeing the release on Wednesday of the minutes of the U.S. Federal Reserve's Jan. 30 to 31 policy meeting. The key driver will be interest rate hikes, how fast and how many times they can raise.
- Higher U.S. interest rates tend to depress demand for non-interest bearing precious metals. Silver slipped 0.9 percent to \$16.51 an ounce earlier today in Asian session.
- Palladium gave up 0.4 percent lower at \$1,028.47, after rising to the highest since Feb. 2 at \$1,050 in the previous 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	
12/01/2017	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

## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Feb 20	05:30	AUD RBA February Meeting Minutes	Medium			
Tue Feb 20	11:00	JPY Machine Tool Orders (YoY) (JAN)	Low			48.8%
Tue Feb 20	12:00	JPY Convenience Store Sales (YoY) (JAN)	Low			-0.3%
Tue Feb 20	12:00	EUR German Producer Price Index (MoM) (JAN)	Low	0.5%	0.5%	0.2%
Tue Feb 20	15:00	EUR German ZEW Survey Current Situation (FEB)	Medium	92.3	94.0	95.2
Tue Feb 20	15:00	EUR German ZEW Survey Expectations (FEB)	High	17.8	16.0	20.4
Tue Feb 20	15:00	EUR Euro-Zone ZEW Survey (Economic Sentiment) (FEB)	High	29.3		31.8
Tue Feb 20	18:30	CAD Wholesale Trade Sales (MoM) (DEC)	Low		0.4%	0.7%
Tue Feb 20	20:00	EUR Euro-Zone Consumer Confidence (FEB)	Medium		1.0	1.3

Source: Forex Factory, DailyFX

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