

Gold

Technical

Gold markets had a bullish session on Friday, breaking above the 61.8% Fibonacci retracement level. Because of this, looks as if the market is going to continue to grind its way to the upside. It will necessarily be the easiest of moves, but I believe it's only a matter of time before we reach towards the 1300 level. Pullbacks offer buying opportunities, and I believe that precious metals in general have changed the trend, so of course gold will be any different. Buying on the dips will continue to be the way forward. Momentum has turned positive as the MACD (moving average convergence divergence) index generated a crossover buy signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses above the 9-day moving average of the spread. Gold pushed above resistance near a horizontal trend line near 1,244, which is now seen as support.

Pivot:	1,254		
Support	1,253	1,248	1,243
Resistance	1,260	1,263	1,266

Highlights

- Gold settled higher for a second straight session on Friday, logging its highest finish in more than three-and-half months
- Haven demand rose amid growing concerns about geopolitics and the Fed's lack of commitment to lift benchmark interest rates
- Gold for April delivery rose \$6.90, or 0.6%, to settle at \$1,258.30 an ounce
- The firm gains for the metals came as the dollar softened
- Gold is just a few bucks away from breaking through its 200-day moving average at \$1,264.38

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



Source: Meta Trader

Fundamentals

- Gold held steady near 3-1/2 month highs today as investors waited for U.S. President Donald Trump to outline plans for tax cuts, infrastructure spending, levies on imports and foreign policy.
- Spot gold was little changed at \$1,256.18 and ounce, having touched its highest since Nov. 11 at \$1,260.10 in the previous session. U.S. gold futures were down 0.1 percent at \$1,257.
- Trump is due to address Congress on Tuesday. What he reveals might be important for gold. For example, if he announces significant fiscal easing, that would raise inflation expectations and lead investors into gold. But the border adjustment tax (import tax) could push the dollar higher and that could be negative for gold. The whole area of foreign policy may mean more political uncertainty and that's positive for gold.
- Analysts also expect nervousness ahead of elections in the Netherlands, France and Germany to help to buoy gold prices over the course of this year but say that U.S. interest rates are also important.
- Higher U.S. rates could mean a stronger U.S. currency, which makes dollar-denominated metals more expensive for holders of other currencies. Most of the market still expects the U.S. Federal Reserve to pass on raising rates for now. We would agree with this consensus view. This could offer gold more upside, at least going into March.
- The U.S central bank meets March 14-15, though rate increases are largely expected to be postponed. Bets on higher prices can be seen in data, showing hedge funds and money managers holding larger net long positions in gold
- Holdings of the largest gold-backed exchange-traded fund, New York's SPDR Gold Trust, have also risen more than 5 percent this month. However, attempts to push prices higher have met strong resistance in recent days at \$1,260.

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 fell a bit during the day on Friday, as we continue to bang around just below the \$55 level. That's an area that significant resistance, so it's not until we can break above there that the markets can go much higher. If we do, then I think we will probably aim for the \$60 level when it will be a nice little move waiting to happen. Alternately though, if we can break down below the \$54 level significantly or maybe even the \$53.50 level, we should then reach towards the \$51.50 level. Longer-term, I still believe in the bearish story, but I think that the marketplace is still trying to suss out what's going on with inventory versus the OPEC production cuts. Momentum is neutral as the MACD (moving average convergence divergence) index prints near the zero index level with a flat trajectory which reflects consolidation. The RSI which is a momentum oscillator, is printing 55.

Pivot:	54.43		
Support	54.14	53.95	53.80
Resistance	54.70	54.90	55.03

Highlights

- Oil prices edged higher today as a global supply glut appears to ease
- Oil prices tumbled on Friday after US EIA data showed US crude inventories rose for a seventh straight week
- The market has been supported within a tight \$4 to \$5 range since November
- EIA data showed stocks rose 564,000 barrels to 518.7 million last week
- U.S. drillers added five oil rigs in the week to Feb. 24 to 602, the most since October 2015, Baker Hughes Inc said on Friday

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 as investors showed record confidence in prices rising further, though gains were capped by the prospect of faster growth in U.S. oil production.
- Brent crude oil rose 55 cents to \$56.54 a barrel, while U.S. West Texas Intermediate added 39 cents to \$54.38. Money managers raised their bullish U.S. crude futures and options positions in the week to Feb. 21 to the highest on record, the U.S. Commodity Futures Trading Commission (CFTC) said on Friday.
- Oil prices are being supported by the ongoing buying interest shown by speculative financial investors, who for the first time expanded their net long positions in WTI to more than 400,000 contracts.
- Speculators also raised their bets on a rally in Brent crude futures to a record high in the week to Feb. 14, with fresh data expected to be released later in today's trading session.
- With speculators increasing their bullish bets on U.S. crude to an all-time high, the risk of disappointment and subsequent downward spiral in prices has never been greater.
- Among the risks is the level of compliance to the deal between the Organization of the Petroleum Exporting Countries (OPEC) and other producers to bring down oil output by about 1.8 million barrels per day (bpd).
- OPEC's record compliance with the deal has surprised the market, and the biggest laggards, the United Arab Emirates and Iraq, have pledged to catch up with their targets. The International Energy Agency put OPEC's average compliance at a record 90 percent in January. Based on a Reuters average of production surveys, compliance stands at 88 percent. A Reuters survey of OPEC production later this week will show compliance for February

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 initially fell during the day on Friday but found enough support at the \$18 level to turn things around and form a massively bullish candle. I believe that the Silver markets are changing the absolute trend, and when you look at this chart it's hard not to notice the fact that the 150 day, 100 day, and 200-day exponential moving averages are all crossing. This of course is a very bullish sign, and a longer-term "buy-and-hold" type of signal for traders, or had better put: investors. This market looks as if it is poised to reach towards the \$19 level, and then possibly the \$20 level. I believe that pullbacks offer value and buying on the dips will be a viable trading strategy going forward. After all, the precious metals in general look healthy and with the potential infrastructure spending and industrial pickup coming out of the United States.

Pivot:	18.37		
Support	18.30	18.22	18.13
Resistance	18.45	18.55	18.65

Highlights

- Silver gained on Friday as the dollar fell to a one-week low
- The new U.S. Treasury chief poured cold water on the "Trumpflation trade" that had boosted the greenback this year
- A poll on Friday suggested French presidential candidate Emmanuel Macron would beat far-right leader Marine Le Pen
- Silver rose 0.8 percent, having touched its highest in 3-1/2-months at \$18.40
- Silver has gained about 1.8 percent this week in what could be its ninth straight weekly gain

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

- The price of silver rose in Friday's trading session, pushing it into positive territory for the week, as the U.S. dollar corrected lower for a third straight session.
- May silver futures rose 21 cents, or 1.2%, to \$18.40 a troy ounce, according to Barchart. That was the metal's highest level since the U.S. presidential election.
- After being range-bound for most of the week, silver is on track for a five-day gain of around 1.5%. While bullish, the futures contract has entered overbought territory, based on the Relative Strength Index (RSI) and standard deviations away from the 20-day simple moving average.
- Precious metals are benefiting from risk-off exposure and a downward correction in the U.S. dollar, which fell on Friday for a third straight day against a basket of other major currencies. The dollar index was last down 0.3% at 100.72.
- European stocks were down sharply in the final session of the week, as investors tracked financial results. The pan-European Stoxx 600 was down 1%, putting it on track for a sizable weekly loss. All of the region's major bourses were down at least 0.6%.
- U.S. stock futures were down sharply in pre-market trading, pointing to a volatile start to the day. The Dow Jones Industrial Average is currently riding a ten-day winning streak.
- Uncertainty about the policy of the Trump administration, protectionism, and fears of a trade and currency war seems to have offset the hawkish comments from the Fed officials.
- Political uncertainties have triggered continuous inflows into gold and silver exchange traded funds (ETFs), which seems to be the main driver for gold and silver prices at the moment.

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 27, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Feb 27	05:30	AUD Company Operating Profit (QoQ) (4Q)	Low	20.1%	8.0%	1.5%
Mon Feb 27	14:00	EUR Euro-Zone M3 s.a. (YoY) (JAN)	Low	4.9%	4.8%	5.0%
Mon Feb 27	15:00	EUR Euro-Zone Economic Confidence (FEB)	Low	108.0	108.1	107.9
Mon Feb 27	15:00	EUR Euro-Zone Consumer Confidence (FEB)	Low	-6.2	-6.2	-6.2
Mon Feb 27	18:30	USD Durable Goods Orders (JAN P)	High		1.9%	-0.5%
Mon Feb 27	18:30	USD Durables Ex Transportation (JAN)	Medium		0.5%	0.5%
Mon Feb 27	20:00	USD Pending Home Sales (YoY) (JAN)	Medium			-2.0%
Mon Feb 27	20:30	USD Dallas Fed Manufacturing Activity (FEB)	Low		19.4	22.1
Mon Feb 27	21:00	USD Fed's Kaplan Speaks in Oklahoma	Low			

Source: Forex Factory, DailyFX

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