

Gold

Technical

Gold prices edged lower on Friday following a report from the Labor Department that showed that inflation was softer than expected. Resistance on the yellow metal is seen near the 10-day moving average at 1,350, which support on gold is seen near an upward sloping trend line that connects the low in early June to the lows in late June and comes in near 1,300. Momentum has recently turned negative as the MACD generated a sell signal. The index is printing in negative territory with a downward sloping trajectory which points to lower prices. The June CPI gains of 0.2% for both the headline and core undershot estimates, though the headline was rounded down from 0.216% alongside a largely expected 0.170% core price gain. The headline year over year increase should remain at June's 1.0%, while the core year over year rise sustains the 2.3% cycle-high from June.

Pivot:	1,328		
Support	1,312	1,305	1,295
Resistance	1,337	1,342	1,350

Highlights

- Gold edged lower early today in Asian session, after registering its first weekly decline since May last week
- Failed attempt to seize power in Turkey was seen having limited impact on the global markets
- The Dollar gained today as investors unwound safe-haven trades
- Better U.S economic news and the promise of central bank stimulus lent support to equities
- U.S retail sales rose more than expected in June

Gold - Technical Indicators

RSI 14	66.40
SMA 20	1,280.60
SMA 50	1,265.06
SMA 100	1,253.98
SMA 200	1,182.28

Gold Daily Graph



Fundamentals

- Gold fell 1 percent before paring losses today as the demand for safe-haven assets waned with a coup attempt in Turkey failing to deter risk sentiments. The U.S dollar gained on the yen today as investors unwound safe-haven trades in the wake of the failed coup in Turkey, while a giant takeover bid in the tech sector and the promise of central bank stimulus lent support to equities.
- Turkey widened a crackdown on suspected supporters of the failed military coup, taking the number of people rounded up in the armed forces and judiciary to 6,000 and the government said it was in control of the country and economy.
- Spot gold, which fell 1 percent to as low as \$1,323.70, was down 0.6 percent to \$1,329.27 an ounce. Bullion fell over 2 percent last week, its first weekly decline in seven weeks. U.S. gold was up 0.2 percent to \$1,329.50 an ounce.
- Gold prices are feeling some kind of pressure because of the increasing easing of risk aversion. People have formed expectations that central banks worldwide have to include more stimulus packages in their monetary policies, leading to risk asset appreciation.
- As gold's safe-haven appeal waned, speculators cut their record bullish bets for the first time in five weeks, U.S. Commodity Futures Trading Commission (CFTC) data showed.
- Adding further pressure on the bullion was positive U.S. retail sales data, which rose more than expected in June. Meanwhile, St. Louis Fed President James Bullard said on Friday there are "upside" risks to his view that the U.S. central bank should raise interest rates just once this year and remain on hold in 2017 and 2018.
- Gold is highly sensitive to rising rates, which lift the opportunity cost of holding non-yielding assets such as bullion, while boosting the dollar, in which it is priced.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
5/17/2016	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
5/24/2016	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
5/31/2016	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
6/07/2016	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market went back and forth during the course of the session on Friday, but did show that the \$45 level offered a bit of support. Because of this, the market looks as if it could rally for the short-term but I still see quite a bit of resistance above. I believe that the market has broken below a significant uptrend line, and as a result we continue to essentially “draft” lower, and with that being the case the market continues offer selling opportunities on rallies the show signs of exhaustion. I believe that if we can break down below the \$44 level in this market, we will accelerate to the downside. Ultimately, I have no interest in buying this market until we break above the \$50 level, something that doesn’t seem very likely to happen anytime soon. Needless to say, an increase in the inventory numbers this week coming out of America does not help the situation for buyers.

Pivot:	45.96		
Support	45.04	44.55	43.85
Resistance	46.90	47.60	48.25

Highlights

- Oil futures ended Friday’s session higher, as better-than-expected economic data bolstered the outlook for energy demand
- Crude prices received a further boost in post-settlement trade after news broke of an apparent military coup in Turkey
- The Fed raised its third-quarter GDP growth estimate to a 2.6% rate
- Crude oil for delivery in August advanced 27 cents, or 0.59%
- Gains were limited amid signs of an ongoing recovery in U.S. drilling activity

Crude - Technical Indicators

RSI 14	45.96
SMA 20	48.86
SMA 50	47.93
SMA 100	43.61
SMA 200	40.09

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices were largely unchanged on Monday as traders shrugged off the impact of the attempted coup in Turkey, while disruptions to crude exports in Libya and upbeat U.S. economic data lent prices some support.
- Brent crude futures rose 2 cents to \$47.63 a barrel, while U.S. crude futures eased by 4 cents to \$45.91 a barrel. Istanbul’s Bosphorus Strait, a chokepoint for oil that handles about 3 percent of global shipments, mainly from Black Sea ports and the Caspian region, reopened on Saturday after closing for several hours after Friday’s failed coup.
- News that oil guards protesting over pay shut Libya’s Hariga oil terminal on Sunday, delaying two crude shipments, dampened hopes the country could boost its output significantly any time soon.
- Libya remains a wild card in the global oil market balance. Today, however, an immediate revival in Libyan crude exports looks less daunting and might help to support crude prices slightly.
- Saudi Arabia’s energy minister said on Sunday the kingdom always reacts to oil market supply and demand and would continue to monitor crude markets for any developments.
- The race among oil suppliers to meet the rise in demand for imports from China’s independent refineries is heating up, with Iran supplying a 2-million-barrel cargo via trader Trafigura. Buoyant economic data from the United States on Friday lent support to oil prices.
- U.S. retail sales rose more than expected in June as Americans splurged on motor vehicles and other goods, while U.S. industrial production recorded its biggest increase in 11 months. But a report by Morgan Stanley raised concerns about the longer-term outlook for oil consumption as demand for petrochemicals rather than fuels is clouding the outlook for 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	
5/10/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
5/17/2016	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
5/24/2016	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
5/31/2016	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
6/07/2016	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 fell slightly during the day on Friday, but as you can see we are still very much consolidating as we have been grinding around the \$20 handle. Ultimately, I feel that there is a significant amount of support at the \$19.50 handle, and a significant amount of resistance of the \$20.50 level. Given enough time though, we will have to make a move and we will simply follow whatever move that is. However, I would be the first to admit that there is a bit of a "floor" at the \$18 handle. This neutral candle suggests that perhaps we will have to pull back and build up a bit of momentum in order to continue going higher. I think at this point in time, the \$18 level should be the "floor" in this market, and as a result economists think from a longer-term perspective, you cannot short this market at all. Regardless though, you should think that volatility will be a constant companion.

Pivot:	19.89		
Support	19.56	19.43	19.19
Resistance	20.20	20.52	20.68

Highlights

- Silver fell after data showed that U.S. retail sales rose more than expected in June
- The bullish data could allow the Federal Reserve to raise interest rates later this year
- Interest rate futures are currently pricing in a 43% chance of a rate hike by December
- Silver futures for September delivery shed 15.7 cents, or 0.77%, on Friday to settle at \$20.16 a troy ounce.
- On the week, silver futures tacked on 24.5 cents, or 0.33%, the seventh consecutive weekly gain

Silver - Technical Indicators

RSI 14	65.08
SMA 20	17.49
SMA 50	17.00
SMA 100	16.39
SMA 200	15.45

Silver Daily Graph



Fundamentals

- Silver prices are sliding today after the failure of Turkey's attempted military coup. Silver jumped on Friday after news that the army had moved against Turkey's President. Silver and gold are seen as "safe haven" investments when things are looking bad and investors go for something that will be valuable.
- But the coup quickly fizzled out and, as a result, silver is taking a hit. Silver is bearing the brunt of the fall, dropping to a 10-day low. The precious metal is down 1.16% to \$19.93 after just over half an hour of trade in London.
- On top of that, silver has appeal in its own right as an industrial commodity – more than half of demand comes from industrial users, chiefly in the electronics sector. Central bank action to stimulate economies, so the argument goes, should further increase that consumption.
- Silver's latest strength reflects an attempt by traders to catch up with gold's first-quarter rally, but the ratio of the two metals has eased to less stretched levels. An ounce of gold now buys 66 ounces of silver, close to its average over the past 30 years, and down from 83 ounces in February. But speculative positioning in silver has risen sharply.
- Underlying supply and demand show signs of improvement, but not by enough to justify such a sharp move higher. In the physical market, American Eagle silver coin sales by the U.S. Mint have slowed. They fell 40 per cent in June from May, and have got off to a slow start in July.
- Supply from silver mines is predicted to fall this year after successive record highs, while some improvement in industrial demand is expected. But the market's wild swings of recent years are not doing silver any favours.
- In the week ahead, market players will be focusing on the outcome of Thursday's European Central Bank meeting to see if policymakers will step up monetary stimulus to counteract the negative economic shock from the Brexit vote.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
5/17/2016	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
5/24/2016	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
5/31/2016	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
6/07/2016	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Monday, July 18, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Jul 18	03:45	NZD Consumer Prices Index (YoY) (2Q)	High	0.4%	0.5%	0.4%
Mon Jul 18	04:01	GBP Rightmove House Prices (YoY) (JUL)	Medium	4.5%		5.5%
Mon Jul 18	13:00	CHF Total Sight Deposits (JUL 15)	Low	511.0b		510.5b
Mon Jul 18	13:00	CHF Domestic Sight Deposits (JUL 15)	Low	434.7b		434.1b
Mon Jul 18	13:15	BOE's Weale speaks in London Brexit Impact on Monetary Policy	Low			
Mon Jul 18	17:30	CAD International Securities Transactions (Canadian dollar) (MAY)	Low			15.52b
Mon Jul 18	19:00	USD NAHB Housing Market Index (JUL)	Medium		60	60
Mon Jul 18	20:30	USD U.S. to Sell 3-Month Bills	Low			
Mon Jul 18	20:30	USD U.S. to Sell 6-Month Bills	Low			

Source: Forex Factory, DailyFX

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