

## Gold

### Technical

Gold markets have fallen again during the trading session. The market has a major amount of support near the \$1200 level though, and it's likely that a certain amount of buying opportunities will present themselves below. In the meantime though, it looks as if short-term rallies will be selling opportunities, with the \$1230 level looking particularly bearish. If it can break above that level, then more sellers come in between the \$1240 level in the \$1250 level. It suspect that it's going to be difficult to break above the \$1250 level, as it is a very negative area, but if it did then the market would probably go looking towards the \$1300 level, although it give that about a 10% chance in the short term. It will need to build a bit of a base at these lower levels to turn things around. If it did break down below the \$1200 level, the market is likely to go much lower, perhaps reaching towards the \$1000 level after that.

Pivot:	1,224		
Support	1,221	1,217	1,214
Resistance	1,229	1,234	1,237

Source: FX EMPIRE

### Highlights

- Gold sank to a one-year low as the dollar powered higher
- Gold is not being used as a safe haven right now despite the ongoing trade war
- Gold is generally regarded as a safe and stable store of value during times of global uncertainty
- The dollar held firm against its peers, supported by bullish comments from Powell, which affirmed expectations for more interest rate increases
- The U.S dollar has generated the strongest headwind for commodities priced in the currency, particularly gold

### Gold - Technical Indicators

RSI 14	70.21
SMA 20	1,260.3
SMA 50	1,259.1
SMA 100	1,258.9
SMA 200	1,257.5

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices eased for a sixth straight session today, hovering near a one-year low hit in the previous session, as the dollar traded close to a one-year high.
- Spot gold was down 0.3 percent at \$1,218.72 an ounce. In the previous session, it fell to its weakest since early July last year at \$1,211.08 an ounce. U.S gold futures were down 0.5 percent at \$1,218.30 an ounce.
- The dollar index, which measures the greenback against a basket of six major currencies, stood at 95.127. It dropped from a one-year high after U.S President Donald Trump expressed concern about the currency's strength and the Federal Reserve's interest rate increases.
- So nothing changed despite the flurry caused by the president's remarks and so gold continues to labour under a stronger dollar, higher rates slated for the balance of this year and next and general fund disenchantment with the long side.
- Fed Chairman Jerome Powell in a two-day congressional testimony said he believed the United States was on course for years more of steady growth and reaffirmed expectations for more interest rate rises in the world's largest economy.
- Demand for gold is expected to rise during the second half of 2018, as inflation potentially rises and a global trade war may impact currencies, the World Gold Council said yesterday.
- The financial leaders of the world's 20 biggest economies meet in Buenos Aires this weekend for the first time since long-simmering trade tensions burst into the open when China and the United States put tariffs on \$34 billion of each other's goods.

### 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 initially felt again yesterday but found enough support at the \$60 level to turn around and rally significantly. The markets are a bit oversold as of late, so this bounce makes a significant amount of sense. The market will eventually turn around and start breaking down again though, but at this point it would need to see some type of exhaustive candle. Brent markets initially fell as well, but then rally enough to test the previous uptrend line. The market will probably find a bit of selling pressure in this general vicinity, and it could turn around. However, if it break above the \$75.25 level, then Brent could rally significantly. Pay attention to the US dollar, because if it continues to strengthen that will also add a bit of a drag on these markets as well. It suspect if it do break out and go higher from here, it could continue to rally for several days.

Pivot:	68.76		
Support	67.95	67.05	66.40
Resistance	69.25	69.95	70.75

Source: FX EMPIRE

### Highlights

- Oil prices still set for a weekly drop on concerns about oversupply and ongoing trade conflict
- There was some support for prices as Saudi Arabia said that it would cut crude shipments
- Oil is on track for weekly losses of about 3% and has declined nearly 8% this month as supply concerns weighed on crude prices
- Markets are now nervous, not only about a trade war, but also a currency war
- Lower oil demand in the US and China caused by an economic slowdown from their trade war would likely weigh heavily on oil markets

### Crude - Technical Indicators

RSI 14	37.55
SMA 20	70.29
SMA 50	70.33
SMA 100	70.49
SMA 200	70.64

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Global benchmark Brent crude dipped today as concerns about mounting supply returned after a brief rally earlier in the session on comments that Saudi Arabia's exports would fall in August.
- Crude prices fell from session highs reached after Saudi Arabia's OPEC Governor Adeb Al-Aama statement that the kingdom expects crude exports to drop by roughly 100,000 bpd in August as it limits excess production.
- Brent oil fell 32 cents, to settle at \$72.58 per barrel, previously reaching a session high of \$73.79. U.S West Texas Intermediate (WTI) was 70 cents higher, or 1 percent, settling at \$69.46. U.S crude prices had reached a session high of \$70.17 earlier in the session before paring gains.
- Crude prices pulled back from highs earlier in the session as investors cashed in on profits. Prices, which had strengthened on news of Saudi Arabia's planned export cuts, fell as the market's focus returned to potential oversupply as Saudi Arabia, Russia and other major producers continue to lift output.
- Brent has fallen almost 9 percent from last week's high above \$79 on emerging evidence of higher production from Saudi Arabia and other members of the OPEC, as well as Russia and the United States.
- A sharp jump in U.S crude oil inventories also added to the bearish tone in the market. U.S crude stocks rose by 5.8 million barrels last week, compared with a forecast for a decline of 3.6 million barrels.
- Commodities, under pressure from a strong dollar and a new wave of trade tensions that stoked fears of damage to economies and commodities, also weighed on prices.

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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 fell during the trading session yesterday, reaching down towards the \$15.20 level. The level has caused a bit of a bounce, and it looks very likely that it may get a bit of a relief rally from here. Depending on your timeframe, silver is either cheap or scary to hold onto. The marketplace will continue to find plenty of support below at the \$15 level, and it is essentially in a big huge "zone" of the buying interest, and therefore a longer-term investor, this is an excellent place to start buying. However, it would look at the \$15.50 level above as significant resistance. If it was to turn around and clear the \$15.60 level, then obviously it has seen a significant amount of buying pressure. The US dollar has rallied yet again, as major currencies have fallen apart. However, it could cause turnarounds, and the silver and other precious metals markets are going to be very noisy right now.

Pivot:	15.46		
Support	15.38	15.26	15.18
Resistance	15.61	15.73	15.86

Source: FX EMPIRE

### Highlights

- Silver prices remain modestly lower, the markets have made a very good rebound from the daily lows
- The U.S dollar gaining strength pressuring silver to lower pricing
- A resurgent U.S dollar index this week, which hit a 12-month high today, continues to pressure the precious metal markets
- September Comex silver was down \$0.179 at \$15.395 an ounce
- silver prices were down about 2.5 percent for the week so far

### Silver - Technical Indicators

RSI 14	53.61
SMA 20	16.29
SMA 50	16.28
SMA 100	16.28
SMA 200	16.25

Source: FX EMPIRE

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver has fallen sharply in US dollar's slipstream. From a high of around \$17.30 in June, the precious metal has fallen to a low so far of \$15.20. The \$2.10 slide might not sound much in nominal terms but represents a sizeable 12.1% decline in percentage terms.
- Silver futures fell in Asian trade to near one-year lows, while the dollar index slipped from July 14, 2017 highs for another session, amid a lack of data from the US today, and after President Donald Trump criticized interest rate hikes and the stronger dollar.
- Silver futures due on September 15 shed 0.37% to \$15.35 an ounce from the opening of \$15.41, while the dollar index fell 0.14% to 95.03 from the opening of 95.16.
- The main concern is the US dollar, which has been on the rise for several months now on expectations that the Federal Reserve will hike rates two more times in 2018. Jerome Powell, the Fed Chairman, more or less confirmed this at his testimony by delivering some hawkish remarks on the economy.
- Silver have also fallen in euro, pound and even franc terms. This is because investors are still finding value in the equity markets. While there are no significant early chart clues silver prices are near bottoms.
- President Donald Trump criticized the Federal Reserve in an interview with CNBC, saying he's "not thrilled" with rate hike decisions that lead to a stronger dollar, while China's yuan falls like a rock.
- In his two-day testimony before the two chambers of Congress, Fed Chair Jerome Powell pointed to strong economic growth this year with continued improvement in the labor market and inflation rates, while cautioning from short-term consequences to trade protectionism.

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	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

# Commodity News

Friday, July 20, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri July 20	04:30	JPY National Consumer Price Index (YoY) (JUN)	High	0.7%	0.8%	0.7%
Fri July 20	11:00	EUR German Producer Price Index (MoM) (JUN)	Low		0.3%	0.5%
Fri July 20	13:00	EUR Euro-Zone Current Account n.s.a. (euros) (MAY)	Low	27.3b		29.6b
Fri July 20	13:30	GBP Central Government NCR (JUN)	Medium	13.6b		6.9b
Fri July 20	13:30	GBP Public Sector Net Borrowing (JUN)	Medium	4.5b	3.6b	3.9b
Fri July 20	17:30	CAD Retail Sales (MoM) (MAY)	Medium		1.0%	-1.2%
Fri July 20	17:30	CAD Consumer Price Index (YoY) (JUN)	High		2.3%	2.2%
Fri July 20	17:30	CAD CPI Core - Median (YoY) (JUN)	Low			1.9%
Fri July 20	22:00	USD Baker Hughes U.S. Rig Count (JUL 20)	Medium			1054

Source: Forex Factory, DailyFX

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