

## Gold

### Technical

Gold markets were slightly negative at the beginning of the session on Thursday, but then spiked through the \$1240 level as it was announced that the investigation into Donald Trump was expanded. This wasn't because of anything that has been found, rather that there are global companies that he owns that could have had dealings with Russia in the past. The markets overreacted in my estimation though, and therefore I don't know if the gold markets are going to just slice through the \$1250 level. I expect there should be a significant amount of resistance and that psychological barrier, so I would refer to look at this market is one that you can buy on the dips as we have shown in impulsivity to the upside, but we honestly have a lot of noise just waiting to happen. I believe that buying dips will be the best way to go going forward.

Pivot:	1,247		
Support	1,242	1,239	1,235
Resistance	1,252	1,256	1,259

### Highlights

- Gold prices ended higher, marking longest streak of session gains in two months
- The Euro jumped in the wake of a European Central Bank meeting, putting pressure on the U.S Dollar
- The ECB left interest-rate policy and other stimulative measures untouched
- Gold rose \$3.50, or 0.3%, to settle at \$1,245.50 an ounce
- Data yesterday showed softer manufacturing conditions in the Philadelphia area, while weekly U.S jobless claims fell

### Gold - Technical Indicators

RSI 14	78.49
SMA 20	1,205.2
SMA 50	1,174.3
SMA 100	1,198.5
SMA 200	1,225.8

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold was set for its biggest weekly gain in two months today as a surging euro pushed the dollar to its weakest since June 2016, making bullion cheaper for holders of other currencies.
- Bond yields also fell after Mario Draghi said in yesterday's trading session the European Central Bank was in no rush to scale back its asset purchase programme. Lower yields help gold prices by reducing the opportunity cost of holding non-yielding bullion.
- Spot gold was up 0.2 percent at \$1,247.09 an ounce, after earlier touching \$1,248.35, the highest since June 29. It was on track for a weekly gain of 1.5 percent. U.S gold futures for August delivery were 0.1 percent higher at \$1,246.70 an ounce.
- While gold was benefiting from the dollar's weakness against the euro and the move in yields, expected interest rate rises by the U.S. Federal Reserve would limit gains and it would remain in a \$1,200-\$1,250 range.
- Gold is highly sensitive to rising interest rates because they cause bond yields to rise and tend to boost the dollar. The Fed's rate setting committee is due to meet on July 25 and 26.
- Gold was hitting resistance at its technically important 100- and 50-day moving averages, both around \$1,250. We look to a break through the 100- and 50-day moving averages as a pivot point for further gains.
- Falling bond yields and a weakening dollar have helped gold rise 3.5 percent from a low of \$1,204.45 on July 10, but this was driven by short-covering and not backed by demand for physical metal.
- Holdings in the SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, have fallen 4.3 percent, or 1.2 million tonnes, this month. The positioning-driven recovery should run out of steam.

### 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 initially was bullish during the day on Thursday, but then turned around to fall towards the \$47 level. I think if we close below the \$46.75 level on the daily chart, the market should then drop towards the \$46 level underneath. Currently, looks likely that buyers are looking at this as a buying opportunity and value, but I believe that longer-term forces still work against the oil markets, so I prefer to sell if we can get the correct type of close during the daily chart. Ultimately, the market will be volatile regardless what happens next. Brent markets also fell, slicing below the \$49.50 level at one point. Because of this, it's likely that we will see a continuation of the downward pressure, perhaps leading the market towards the \$49 level. There's a lot of noise underneath, so I think that it will be choppy. The \$50 level offered significant psychological resistance.

Pivot:	46.96		
Support	46.74	46.55	46.32
Resistance	47.22	47.46	47.74

### Highlights

- Oil pulled back yesterday, a day after a third consecutive weekly declines in U.S. crude supplies lifted prices to a six-week high
- Investors weighed outcome scenarios for a crucial meeting of some of the world's biggest producers next week
- West Texas Intermediate crude fell 33 cents, or 0.7%, to finish at \$46.79
- Prices for WTI and Brent finished Wednesday at the highest levels since June 6
- Accelerating U.S. production is a major threat to the effort led by the OPEC

### Crude - Technical Indicators

RSI 14	37.83
SMA 20	46.58
SMA 50	50.15
SMA 100	51.59
SMA 200	49.94

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices edged higher on a weaker dollar and diplomatic tensions in the Gulf, but Brent held below the \$50 per barrel level that was breached for the first time in six weeks yesterday.
- Investors were also taking positions ahead of a meeting between OPEC and non-OPEC members in Russia on Monday at which they will discuss compliance with agreed production cuts and progress towards rebalancing an oversupplied market.
- Benchmark Brent crude futures were up 24 cents at \$49.54 a barrel today, while U.S. West Texas Intermediate (WTI) crude futures traded at 47.09 a barrel, up 17 cents.
- The weak dollar, the rising tension between Kuwait and Iran and the upcoming meeting in St. Petersburg should all contribute to some kind of short-covering today.
- The dollar index fell to the lowest in more than a year on Friday, incentivizing the purchase of dollar-denominated commodities such as crude oil. OPEC members Iran and Kuwait are embroiled in a diplomatic spat that saw Kuwait ordering the expulsion of the Iranian ambassador and other diplomats for alleged links to a "spy and terror" cell.
- The expulsions were an unusual move for Kuwait, which typically avoids conflict and has worked at keeping good relations with all countries in the region. The tensions come just days ahead of the oil producers' meeting.
- OPEC, together with some non-members like Russia, has pledged to cut production by 1.8 million barrels per day (bpd) between January this year and March 2018. The United Arab Emirates' Energy Minister said on Friday he hoped that production cuts would have a significant impact in the third and fourth quarter.

### 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 fell slightly during the session on Thursday, but found enough support near the \$16.15 level to turn around and rally. We have seen a lot of volatility since then, due to an announcement of expanded investigations into Donald Trump's companies, but at the end of the day the investigators have not suggested that they have found anything, just that they are looking into his global companies as well. Because of this, we have seen a bit of an overreaction in the markets around the world, but as things calm down it looks like we are going to simply grind higher as we have been for some time. The \$16.15 level above should be resistance, as it is a large, round, psychologically significant number. I believe that pullbacks will probably find plenty of support near the \$16.00 level, as there are more than enough buyers underneath.

Pivot:	16.39		
Support	16.25	16.14	16.06
Resistance	16.55	16.64	16.75

### Highlights

- Silver prices edged higher through today's session, and on track for solid weekly gains as precious metals extended their recovery
- September silver futures edged up 6 cents, or 0.4%, to \$16.40 a troy ounce
- The metal fluctuated within a narrow range, trading between \$16.28 and \$16.41
- Prices are up for six straight sessions and have gained more than 4% this week
- Despite recent gains, silver's outlook is perpetually dogged by choppy demand and volatile trading ranges

### Silver - Technical Indicators

RSI 14	77.87
SMA 20	16.83
SMA 50	16.57
SMA 100	17.06
SMA 200	17.16

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver prices declined yesterday, as investors shifted their attention to central banks. September silver futures fell 13 cents, or 0.8%, to \$16.17 a troy ounce. The futures price fluctuated within a narrow range through the overnight session, trading between \$16.11 and \$16.30.
- Gold prices were also down through the early-morning trade, with August contracts slipping \$5.30, or 0.4%, to \$1,236.70 a troy ounce. Precious metals tumbled with the yen yesterday after the Bank of Japan (BOJ) voted to keep policy on hold. In doing so, officials boosted their GDP forecasts for the next two fiscal years.
- However, stronger economic growth will come at the expense of inflation, with the BOJ cutting its outlook on CPI for fiscal years 2017/2018 and 2018/2019. The timing of the year-on-year rate of change in the CPI reaching around 2 percent will likely be around fiscal 2019," the BOJ said in its official statement.
- The European Central Bank (ECB) also voted to keep interest rates on hold, although pressure is building to begin normalizing monetary policy sooner rather than later.
- The maintenance of loose monetary policy in the euro zone could be seen as either positive or negative for gold, depending on whether demand responds positively to a persistently low opportunity cost of holding the non-yielding metal or more negatively to a weaker euro.
- A stronger dollar is often a disincentive for foreign buyers to purchase precious metals, which are priced in the U.S. currency. The greenback rebounded on yesterday after a pair of central banks kept monetary policy unchanged. The Bank of Japan (BOJ) and European Central Bank (ECB) each voted to keep their benchmark interest rates at record lows.

### 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

Friday, July 21, 2017



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Jul 21	08:00	NZD Credit Card Spending (YoY) (JUN)	Medium	8.3%		7.6%
Fri Jul 21	10:30	JPY Tokyo Department Store Sales (YoY) (JUN)	Low	1.1%		-1.1%
Fri Jul 21	13:00	EUR ECB Survey of Professional Forecasters	Medium			
Fri Jul 21	13:30	GBP Public Finances (PSNCR) (Pounds) (JUN)	Medium	18.3b	4.2b	13.4b
Fri Jul 21	13:30	GBP Public Sector Net Borrowing (Pounds) (JUN)	Medium	6.3b	4.9b	6.4b
Fri Jul 21	13:30	GBP PSNB ex Banking Groups (JUN)	Medium	6.8b	1.1%	7.0b
Fri Jul 21	17:30	CAD Consumer Price Index (YoY) (JUN)	High	1.0%	0.3%	1.3%
Fri Jul 21	17:30	CAD Retail Sales (MoM) (MAY)	Medium			0.8%
Fri Jul 21	22:00	USD Baker Hughes U.S. Rig Count (JUL 21)	Medium			952

Source: Forex Factory, DailyFX

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