

## Gold

### Technical

Based on last week's close at \$1240.40, the direction of the December Comex Gold this week will be determined to the long-term, uptrending Gann angle at \$1245.00. Gold futures finished lower last week after hitting its lowest level since the week-ending January 13, 2017. The price action was primarily driven by the movement in the U.S Dollar. The Greenback was pushed higher by hawkish testimony before Congress by U.S Federal Reserve Chairman Jerome Powell on Tuesday and Wednesday then driven lower on Thursday and Friday when President Trump criticized the Fed for raising interest rates. The main trend is down according to the weekly swing chart. The downtrend was reaffirmed when sellers took out the bottom at \$1233.80. A trade through \$1221.00 will signal a resumption of the downtrend with the next major target coming in at \$1162.00.

Pivot:	1,228		
Support	1,226	1,221	1,215
Resistance	1,235	1,238	1,241

Source: FX EMPIRE

### Highlights

- Gold struggled to build on last week's goodish rebound from over one-year lows and seasawed between gains and losses
- Investors shrug USD selling bias and reviving safe-haven demand
- A weaker greenback makes dollar-priced gold cheaper for buyers using other currencies
- Gold is usually seen as an alternative investment in times of political and economic uncertainty
- Market participants remain convinced that the Fed will stick to its plan to raise interest rates at least two more time in 2018

### 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 were steady today near a one-week high as the dollar eased to its lowest in nearly two weeks after U.S President Donald Trump criticised the Federal Reserve's interest rate tightening policy.
- Spot gold held steady at \$1,231 an ounce. The yellow metal touched its highest since July 17 at \$1,235.10, earlier in the session. U.S gold futures for August delivery were nearly unchanged at \$1,231 an ounce.
- The dollar index, which measures the greenback against a basket of six major currencies, was down 0.1 percent at 94.340. It fell to its weakest since July 11 during the session.
- The dollar has been a significant headwind for gold over the past month or so. It opens up the possibility that we will not see that continued strength in the U.S dollar. The U.S and China exchanged new tariffs on \$34 billion worth of goods on each other earlier this month. The Trump administration has also announced a list of proposed duties on \$200 billion in Chinese imports, although those tariffs have not yet kicked in.
- Trump on Friday reinforced his criticism of the Federal Reserve's policy on raising interest rates, saying it takes away from the United States' 'big competitive edge' and could hurt the U.S economy.
- The overall sentiment is negative when it comes gold. This is despite the fact that it has seen more tension between U.S and Iran. However, the net impact is not that big at all. The dollar weakness has brought some life for gold but nothing major there as well.
- Hedge funds and money managers switched to a net short position in COMEX gold contracts for the first time since 2016 in the week to July 17, U.S Commodity Futures Trading Commission (CFTC) data showed on Friday.

### 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

Based on last week's close at \$68.26, the direction of the September WTI crude oil futures contract this week is likely to be determined by trader reaction to \$67.99. This is a price cluster formed by an uptrending Gann angle and the 50% level at this price. U.S. West Texas Intermediate crude oil futures had an up and down week before settling lower. Most of the damage to the downside was accredited to additional supply from Libya and speculation the U.S. may open its strategic reserve if prices were to rise too rapidly. The market hit a bottom for the week on Wednesday after the U.S. EIA reported a bigger-than-expected draw in gasoline inventories, however, a larger-than-expected build in crude oil helped limit gains. The main trend is up accounting to the weekly swing chart. A trade through \$62.99 will change the main trend to down. A move through \$72.98 will signal a resumption of the uptrend.

Pivot:	69.07		
Support	68.35	67.70	67.20
Resistance	69.65	70.22	70.60

Source: FX EMPIRE

### Highlights

- Oil prices fell as finance ministers and central bank governors from the G20 warned recent trade and geopolitical tensions could harm global growth
- Money managers reduced their long position, or bets that oil prices would rise
- U.S. energy companies last week cut the number of oil rigs by the most since March following recent declines in oil prices
- The market seemed unperturbed after Trump warned Iran not to threaten the US
- Drillers cut five oil rigs in the week to July 20, bringing the count down to 858

### 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

- Oil prices stabilized today as worries over production losses were outweighed by concerns that trade disputes would reduce economic growth and hit global energy demand.
- Benchmark Brent crude oil was up 15 cents at \$73.22 a barrel. U.S. light crude was unchanged at \$68.26. Most of the reduction occurred as money managers reduced their long position, or bets that oil prices would rise.
- Finance ministers and central bank governors from the world's 20 biggest economies ended a meeting in Buenos Aires over the weekend calling for more dialogue to prevent trade and geopolitical tensions from hurting growth.
- U.S. President Donald Trump threatened on Friday to impose tariffs on all \$500 billion of Chinese exports to the United States unless Beijing agreed major changes to its technology transfer, industrial subsidy and joint venture policies.
- Economic and oil demand growth are closely correlated as expanding economies support fuel consumption for trade and travel, as well as for automobiles. Worries over the impact of a trade war have balanced concerns over production losses and lack of supply at a time of rising demand.
- The U.S. rig count, an early indicator of future output, is higher than a year ago, when 764 rigs were active as energy companies have been ramping up production in anticipation of higher prices in 2018 than previous years.
- Global economic growth remains robust and unemployment is at a decade low. However, growth has been less synchronized recently, and downside risks over the short and medium term have increased.

### US Commodity Futures Trading Commission (CFTC) Data

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	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 had a rough week, initially gapping lower today, and then breaking towards the \$15 level underneath. However, it has turned around of form a bit of a hammer, suggesting that perhaps interest rates in America need to be kept lower, as other central banks around the world and keep their currencies artificially low. Economists believe that the market participants have overreacted to that, but it was the excuse that this market needed. If it break down below the \$15 level, it could get rather dicey in the short term. However, back in July 2017, it had seen a lot of volatility below that level and turned around quite drastically. It suspect that would happen again as the market has so much in the way of demand underneath this area. US dollar has been overbought for some time, so a retracement of the currency makes sense, and that should lift silver as well.

Pivot:	15.47		
Support	15.37	15.30	15.22
Resistance	15.54	15.62	15.72

Source: FX EMPIRE

### Highlights

- Silver prices were up 0.1 percent at \$15.49 an ounce
- A weaker U.S currency makes silver and other dollar-denominated commodities less expensive for foreign investors
- Investors will also be monitoring developments in the intensifying global trade conflict
- The dollar fell across the board on Friday, snapping a rally that had seen it hit one-year highs in the previous session
- Gold prices have failed to garner much support despite growing risk aversion over trade tensions

### 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 futures tilted lower, while the dollar index backed off July 14, 2017 highs, ahead of housing data later today from the US. Silver futures due on September 15 shed 0.15% to \$15.53 an ounce from the opening of \$15.55, while the dollar index declined 0.17% to 94.32 marking July 11 lows.
- Markets await data on US housing market, with existing home sales estimated to have risen 0.2% in June to an annualized 5.45 million units, compared to a 0.4% dip in May to 5.43 million.
- Global finance leaders called on Sunday for stepped-up dialogue to prevent trade and geopolitical tensions from hurting growth, but ended a two-day G20 meeting with little consensus on how to resolve multiple disputes over U.S tariff actions.
- 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.
- China, the European Union and others have been manipulating their currencies and interest rates lower, while the U.S is raising rates while the dollars gets stronger and stronger with each passing day.
- Investors will also be looking ahead to Friday's U.S GDP report to see how the economy performed in the second quarter. The data is expected to show that growth rebounded in the three months to June, boosted by an increase in consumer spending.
- The U.S dollar was down 0.77% at 94.25, the largest one-day percentage decline in three weeks, and was enough to turn the dollar index lower for the week and for the month. For the week, the index was down 0.29% and it is down 0.11% for the month to date.

### 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

# Commodity News

Monday, July 23, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon July 23	13:00	CHF Total Sight Deposits CHF (JUL 20)	Low	576.337b		576.1b
Mon July 23	13:00	CHF Domestic Sight Deposits CHF (JUL 20)	Low	474.202b		473.0b
Mon July 23	17:30	CAD Wholesale Trade Sales (MoM) (MAY)	Low		0.7%	0.1%
Mon July 23	17:30	USD Chicago Fed Nat Activity Index (JUN)	Low		0.25	-0.15
Mon July 23	18:00	MXN Economic Activity IGAE (YoY) (MAY)	Medium		2.1%	4.53%
Mon July 23	19:00	EUR Euro-Zone Consumer Confidence (JUL A)	Medium		-0.7	-0.5
Mon July 23	19:00	USD Existing Home Sales (MoM) (JUN)	Medium		0.2%	-0.4%
Mon July 23	20:30	USD U.S. to Sell USD51 Bln 3-Month Bills	Low			
Mon July 23	22:00	GBP BOE's Broadbent Speaks in London	Low			

Source: Forex Factory, DailyFX

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