

Gold

Technical

Gold prices edged lower after running into resistance near the 10-day moving average at 1,230, following the ECB meeting where the central bank left rates unchanged and said stimulus is still needed. The ECB was slightly more confident on growth and inflation and is poised to end its quantitative easing program in December and hold rates steady until the summer of 2019. Support on the yellow metal is seen near the July lows at 1,211 and then the July 2017 lows at 1,204. Momentum has turned positive as the MACD (moving average convergence divergence) index generated a crossover buy signal. Softer than expected U.S Durable goods data helped capped the greenback, which has placed a floor under gold prices. ECB left policy rates on hold and confirmed the guidance on QE, with net asset purchases expected to be reduced from October and phased out at the end of December.

Pivot:	1,231		
Support	1,227	1,223	1,218
Resistance	1,235	1,240	1,245

Source: FX EMPIRE

Highlights

- An extension of the US dollar rally across the board pushed gold prices further to the downside
- Gold usually loses ground to riskier assets such as stocks when global financial and political worries fade
- Investors are also watching out for second-quarter U.S economic growth data
- Gold prices turned lower today despite a weaker dollar as markets await the U.S GDP data due later in the day
- Economists expect to see the annualized growth rate ticked up to 4.2% in the second quarter

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 edged lower yesterday under pressure from a stronger dollar and in response to an easing of trade tensions after the United States agreed to refrain from imposing tariffs on cars from the European Union.
- Spot gold slipped 0.4 percent to \$1,228.33 per ounce, after it rose 0.6 percent on Wednesday. Earlier in the session, the metal hit \$1,235.16, its highest in more than a week. U.S gold futures for August delivery were 0.3 percent lower at \$1,228.10 an ounce.
- The rise is partially to do with the news that Trump and the EU called a ceasefire on the trade war and a halt on auto tariffs. But gold has been dropping since April so there is a bigger story behind this fall rather than just the EU-US story at the moment.
- Gold is currently trading about 10 percent off its April high due to pressure from a stronger dollar, which has risen around 5 percent in that time. The euro recovery against the greenback has also failed to lift bullion, confirming that there is little investor appetite for the precious metal at this time.
- The dollar stood tall against its peers today, having regained traction as the euro slid sharply after the European Central Bank offered little in the way of surprises over its planned timing to move away from its accommodative monetary policy.
- The United States signaled it is set to push ahead on trade talks with Canada and Mexico after agreeing to suspend hostilities over tariffs with Europe in a fragile deal that may clear the way for renewed pressure on China.
- The U.S Commerce Department will continue its probe into whether auto imports pose a national security risk despite ongoing trade talks with the European Union, but Trump asked that no action be taken at this time.

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 exploded and slamming into the gap that started the today session. Because of this, it's only a matter of time before it pull back from here, the market is a bit oversold. A short-term bounce could happen, but it would look at it with serious suspicion, and would look for the first signs of exhaustion to start shorting again. If it can break above the \$71.50 level, then the market could rally as much as another two or three dollars, where things get even more tenuous. Brent markets initially dipped during the day but found enough support at the \$73 level to slam into the previous uptrend line. The market looks as if it is respecting the supply near the \$74 level, and there is a significant zone of supply between \$74 and \$75 after that. It suspect that it will probably roll over and drift a bit lower, but obviously price dictates everything.

Pivot:	69.34		
Support	68.85	68.35	67.95
Resistance	69.75	70.15	70.60

Source: FX EMPIRE

Highlights

- Oil could be back to US\$45 a barrel within 12 months
- OPEC as a case in point, given, its ability to consistently produce an average 35 million bpd over a 50-year period
- Next year, however, Brent could drop back to between US\$45 a US\$65 a barrel
- In the immediate term, however, oil will continue strong
- U.S crude oil inventories last week tumbled more than expected to their lowest level since 2015 as U.S gasoline and distillate stockpiles fell

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 edged lower today in quiet trading after three days of gains, but took support from Saudi Arabia halting crude transport through a key shipping lane, falling U.S inventories and easing trade tensions between Washington and Europe.
- Brent futures were down 5 cents at \$74.49 a barrel, after gaining 0.8 percent yesterday. They are heading for a near 2 percent gain this week, the first weekly increase in four.
- U.S West Texas Intermediate futures were 5 cents lower, at \$69.56, after rising nearly 0.5 percent in the previous session. The contract is heading for a 1.3 percent weekly loss, a fourth week of declines.
- Saudi Arabia said it was "temporarily halting" oil shipments through the Red Sea shipping lane of Bab al-Mandeb after an attack by Yemen's Iran-aligned Houthi movement.
- The fundamentals of the oil market haven't really changed. It will has sporadic news coming out of the more volatile regions every now and again, but the market is still oversupplied.
- The picture is getting a little better but it is not going to be until 2019 when it start to see more material signs of a deficit building in the market. A trade war would likely hit demand for commodities like oil, which is used heavily in shipping, construction and other economic activity.
- An estimated 4.8 million barrels per day of crude oil and refined products flowed through the Bab al-Mandeb strait in 2016 towards Europe, the United States and Asia, according to the U.S Energy Information Administration.

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 rallied a bit during the trading session to reach towards the \$15.60 level before pulling back slightly. If it can break above that level, then the market is probably free to go looking towards the \$15.80 level after that. The market is still very tough to hang onto for the upside, but short-term investors should be used to this. Overall, the market is at the top of the “support zone” that it has been watching on the weekly and monthly chart, as it has been so well supported. Quite frankly, if it break down below the \$15 level it would be very difficult to push this market much lower. The market is trying to build up a “base” in the market so that someday when we take off to the upside most of the physical silver traders will be lined up just above \$15 to profit quite nicely. Short-term investors will continue to be more of the back and forth variety with a bit of a downward bias.

Pivot:	15.59		
Support	15.50	15.42	15.30
Resistance	15.66	15.72	15.85

Source: FX EMPIRE

Highlights

- Silver edged 0.5 percent lower to \$15.47 an ounce, after earlier hitting its highest since July 17 at \$15.67 an ounce
- Metal prices were mostly lower yesterday as a higher dollar
- The stronger dollar pressured silver to erase its gains from the prior day
- September Comex silver was last down \$0.104 at \$15.485 an ounce
- The greenback helped by expectations for bullish second-quarter U.S economic growth while investors await policy decisions

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 prices are slightly down yesterday. Bearish near-term technical postures for silver combined with no major fundamental news to drive the markets at present are allowing both metals prices to drift sideways to lower.
- Silver futures fell nearly one percent as the dollar index bounced off July 10 lows, following earlier data from the US and China, the world's largest metals consumer.
- Silver futures due on September 15 slid 0.67% to \$15.48 an ounce from the opening of \$15.58, while the dollar index added 0.46% to 94.67 from the opening of 94.23.
- U.S economic data point of the week is first estimate of gross domestic product. It is expected to come in at up a strong 4.4%. However, some analysts are even calling for a number of 5.0% or just above. It could be the most active trading day of the week for many markets, including the precious metals.
- Earlier US data showed durable goods orders, which make up half the consumer spending in America, which in turn constitutes two thirds of GDP, rose 1.0% in June, compared to a 0.4% dip in May, while analysts expected a 3.0% increase.
- Unemployment claims rose 9 thousand to 217 thousand from 207 thousand, passing expectations of 215 thousand, while continuing claims fell 8 thousand in the week ending July 14 to 1.743 million from 1.753 million, above estimates of 1.733 million.
- The goods trade balance yielded a deficit of \$68.3 billion in June, up from \$64.8 billion in May, while analysts expected \$67 billion. Whole sale inventories were flat in June, compared to a 0.6% increase in May, while analysts forecast a 0.5% increase.

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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 27, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri July 27	10:30	EUR French Gross Domestic Product (YoY) (2Q A)	Medium	1.7%	1.9%	2.2%
Fri July 27	13:00	EUR ECB Survey of Professional Forecasters	Medium			
Fri July 27	17:30	USD Gross Domestic Product Annualized (QoQ) (2Q A)	High		4.2%	2.0%
Fri July 27	17:30	USD Personal Consumption (2Q A)	Medium		3.1%	0.9%
Fri July 27	17:30	USD Gross Domestic Product Price Index (2Q A)	High		2.3%	2.2%
Fri July 27	17:30	USD Core PCE (QoQ) (2Q A)	Medium		2.2%	2.3%
Fri July 27	19:00	USD U. of Mich. Sentiment (JUL F)	Medium		97.1	97.1
Fri July 27	19:00	USD U. of Mich. 1 Yr Inflation (JUL F)	Low			2.9%
Fri July 27	22:00	USD Baker Hughes U.S. Rig Count (JUL 27)	Medium			1046

Source: Forex Factory, DailyFX

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