

Gold

Technical

Gold markets were sideways during the trading session yesterday, testing the \$1290 level for support. There is also an uptrend line just below there that could come into play, and this is part of what is keeping this market somewhat afloat. It will be interesting to see how this market behaves at that trend line, and at this point it would suggest that it's probably best to leave this market alone. At longer-term investors are going to be buying gold. Otherwise, if it breaks down below the uptrend line, the market will probably go down to the \$1275 level which has been support. Geopolitical events could of course put a bit of a charge into the Gold markets, because there's so much out there that could come into play. Economists think that the talks between the U.S and North Korea could be a major catalyst for risk appetite, but then again if it get some type of break down it could also send Gold higher.

Pivot:	1,297		
Support	1,294	1,291	1,289
Resistance	1,300	1,303	1,306

Source: FX EMPIRE

Highlights

- Gold prices scored their first gain in three sessions, as the U.S dollar turned lower
- Gold prices increased as the dollar retreated slightly from close to a six-month high
- The U.S Dollar eased back from earlier gains to 93.828, while the yield on the benchmark 10-year Treasury note slipped 2.3 basis points to 2.912%
- Higher rates may also boost the value of the dollar, which usually moves in the opposite direction of the gold price
- Rising equities typically signal strong investor risk appetite, weighing on gold

Gold - Technical Indicators

RSI 14	41.13
SMA 20	1,325.5
SMA 50	1,298.3
SMA 100	1,288.0
SMA 200	1,309.5

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices inched higher in early Asian today as the U.S dollar and treasury yields eased amid lingering concerns about global trade after the United States imposed tariffs on its allies.
- Spot gold was up 0.2 percent at \$1,297.64 per ounce. U.S gold futures for August delivery were steady at \$1,301.80 per ounce. The dollar index, which measures the greenback against a basket of six major currencies, was down 0.1 percent at 93.829.
- U.S Treasury yields fell yesterday as traders piled back into lower-risk government debt after Italy's new prime minister vowed to enact economic policies that could balloon the nation's already-heavy debt load.
- The Federal Reserve's next interest rate increase will mark a key milestone as the era of cheap dollars draws to a close, further unsettling a U.S bond market already rattled by rising inflation and government debt supply.
- Strong growth and tightening labor market conditions should guarantee that the Fed will hike interest rates next week, and boosts chances for two more hikes later in the year. The U.S dollar, in which gold is priced, declined against a basket of currencies, making gold more attractive to investors.
- The dollar could not find support from the data because it had been in a strong uptrend recently in anticipation of improving data and speculators are taking profit on those long dollar positions ahead of the Fed meeting next week.
- Expectations of higher interest rates tend to boost the dollar and reduce investor interest in non-yielding bullion. Rising real interest rates impact the opportunity costs of holding gold because the metal provides no yield, and entices investors to rotate into riskier assets like stocks.

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 fell yesterday, as it continues to see oil pricing fail. The markets look likely to continue going lower as it has broken through a major uptrend line, and at this point now it is below the \$65 level, it will eventually go looking towards the \$60 level. Obviously, there are a lot of little areas between here and there that should continue to come into play, perhaps with special attention paid to the \$62.50 level. The \$66 level above is significant resistance, especially considering that there is an uptrend line that has sliced through that level and should now offer dynamic resistance as well. Brent markets broke down significantly yesterday as well, slicing through the \$75 level. It now looks as if rallies are to be sold, and it will probably go down to the \$72.50 level underneath. As supply comes online, there will continue to be a bit of negative pressure in this market.

Pivot:	65.87		
Support	64.94	64.20	63.60
Resistance	66.65	67.35	67.86

Source: FX EMPIRE

Highlights

- U.S. crude oil prices marked its first gain in 4 sessions
- The market clearly believes that the cartel will ease crude production cuts at this meeting
- WTI is trading at a discount of about \$10 a barrel to Brent, which is proving highly attractive to investors
- Crude-oil prices have been steadily climbing since last October
- According to official figures from last week showed U.S. producers pumped a weekly record of 10.47 million barrels a day

Crude - Technical Indicators

RSI 14	35.14
SMA 20	48.32
SMA 50	50.76
SMA 100	54.32
SMA 200	59.24

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Global oil prices rose during Asian trade today after Venezuela raised the prospect of halting some crude exports, but gains were capped amid reports the U.S. government had asked Saudi Arabia and some other OPEC producers to increase output.
- Brent crude rose 27 cents to \$75.65 a barrel after dropping to its lowest since May 8 on Tuesday. U.S. West Texas Intermediate crude futures were up 29 cents at \$65.81 a barrel, having touched a near two-month low.
- Prices have taken a dramatic fall over the past couple of weeks after Saudi Arabia strongly hinted at the prospects of increased supplies from OPEC and non-OPEC oil producers in the second half of the year.
- OPEC and including external producers such as Russia have been involved in an effort since 2016 to remove almost 2% of the global crude supply in a bid to prop up prices. The deal is set to expire at the end of this year.
- Due to increased levels of geopolitical risks to supply of Iranian and the recent falls in Venezuelan oil production, the agreement could be revised so that some members, most notably Saudi and non-OPEC member Russia, boost their output to make up for the short fall in order to avoid a potential supply shock.
- The dominating theme for Brent is the coming OPEC meeting and the prospect of higher supply that will be discussed and decided at this meeting. Investors are waiting for official report to be issued by the U.S. Energy Department's EIA.
- Brent has been supported by tight global supply, the U.S. crude grade price is being squeezed by a huge increase in American output and bottlenecks in the Permian region.

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	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 have gone back and forth during the trading yesterday, as it continue to find support underneath at the \$16.35 level that extends down to the \$16.30 level after that. Economists believe that the short-term pullbacks continue to offer value the people take advantage of, as it go back and forth. It would use stochastic oscillator, or some type of range bound system to buy and sell in this market as it seems to be reasonably well defined. Longer-term, but the buying physical silver is probably the best way to go in that case. After all, at that point it becomes an investment. A massive amount of support at the \$16 level underneath, it would be very surprised if it managed to break down through there. Market players believe that Silver markets continue to be the domain of short-term traders, so using something like the 15 minute chart is probably the best way to go.

Pivot:	16.51		
Support	16.43	16.39	16.33
Resistance	16.58	16.63	16.71

Source: FX EMPIRE

Highlights

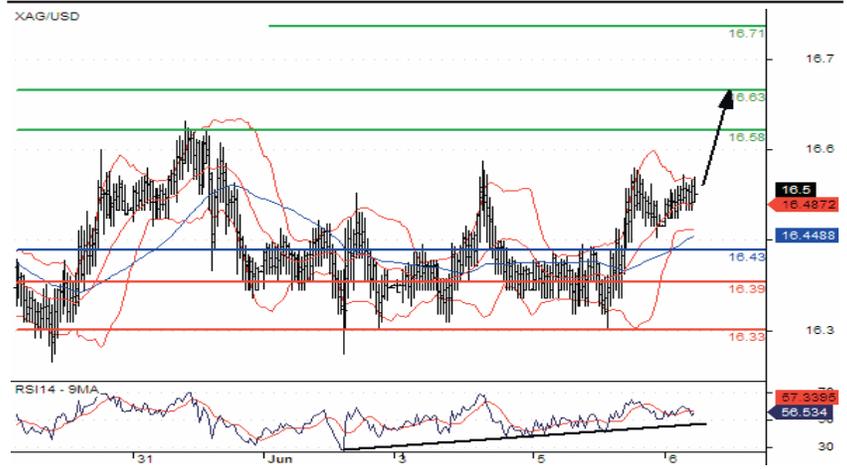
- On a 3-month basis, silver prices this spring have moved in their narrowest range since 2001
- The U.S dollar index is weaker today on a corrective pullback from recent gains that last week pushed prices to a 10.5-month high
- The most critical component of recent price weakness in silver has been dollar strength
- The lack of risk aversion in the marketplace at present is bearish for safe-haven gold and silver markets
- Day-to-day, silver prices are typically twice as volatile as gold

Silver - Technical Indicators

RSI 14	39.31
SMA 20	17.68
SMA 50	17.25
SMA 100	16.93
SMA 200	16.81

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices moved little yesterday, relinquishing yesterday's losses and trading sideways, with dollar still represents a pressure factor on commodity prices. U.S services sector activity accelerated in May, pointing to robust economic growth in the second quarter.
- Asian stock indices declined today even after gains in the US, but weaker Asian shares failed yet to prop up silver as a traditional haven and an alternative investment.
- Dollar is holding fast and heaping pressure on commodity prices amid stellar outlook and performance for the US economy. Silver last traded at \$16.40 an ounce, almost at the same opening price, with a session-high at \$16.42, and a low at \$16.39.
- Silver prices are trading near unchanged in quieter U.S trading early today. Metal investors are looking for some new fundamental news to help drive prices. July Comex silver was last down \$0.011 at \$16.42 an ounce.
- World stock markets were mixed to firmer overnight. U.S stock indexes are pointed toward modestly higher openings when the New York day session begins. The U.S stock indexes are at 2.5-month highs as traders and investors are in upbeat, risk-taking moods at present.
- The marketplace is mostly looking past U.S tensions with its major trading partners that threaten to boil over into a worldwide trade war. U.S Treasury yields fell yesterday as investors piled back into lower-risk government debt after Italy's new prime minister vowed to enact economic policies that could balloon the nation's already-heavy debt load.
- A further decline in the US dollar would, of course, be incredibly supportive and bullish for silver. With current trade dispute between the United States and China entirely at a stalemate, it could see increased volatility in dollar pricing.

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

Wednesday, June 06, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed June 06	05:00	JPY Labor Cash Earnings (YoY) (APR)	Medium	0.8%	1.3%	2.0%
Wed June 06	06:30	AUD Gross Domestic Product (YoY) (1Q)	High	3.1%	2.8%	2.4%
Wed June 06	12:15	CHF Consumer Price Index (YoY) (MAY)	Medium	1.0%	0.9%	0.8%
Wed June 06	12:30	EUR Markit Germany Construction PMI (MAY)	Medium	53.9		50.9
Wed June 06	16:00	USD MBA Mortgage Applications (JUN 01)	Medium			-2.9%
Wed June 06	17:30	CAD Building Permits (MoM) (APR)	Medium		-1.3%	3.1%
Wed June 06	17:30	USD Nonfarm Productivity (1Q F)	Low		0.6%	0.7%
Wed June 06	17:30	USD Trade Balance (APR)	Medium		-\$49.1b	-\$49.0b
Wed June 06	19:30	USD DOE U.S. Crude Oil Inventories (JUN 01)	Medium			-3620k

Source: Forex Factory, DailyFX

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