

## Gold

### Technical

Gold markets pulled back a bit yesterday but found enough support to turn around and rally towards the \$1300 level. That's an area that is very attractive to market participants, and it is essentially "fair value." Short-term pullbacks should be buying opportunities, especially if it can stay above the uptrend line that it has formed previously. Economists think that the \$1308 level above is a major resistance, and if it can break above there then the gold market should go towards the \$1325 level. That's an area that has been very important in the past, and that the buyers will continue to jump into this market on dips if it do make a move towards that level. Ultimately, if it break down below the uptrend line underneath, the market could probably break down to the \$1275 level. That's an area that should be important as well, so that it's more likely that it goes higher rather than lower.

Pivot:	1,296		
Support	1,293	1,290	1,287
Resistance	1,300	1,303	1,306

Source: FX EMPIRE

### Highlights

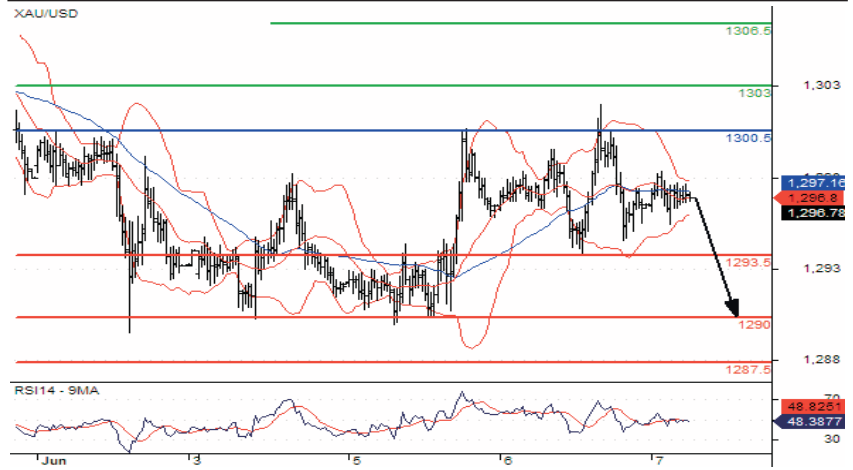
- Global trade war is the only factor providing the support for the gold price as gold prices were steady yesterday
- Gold, a non-interest-paying asset, could see demand take a hit from higher rates
- Investors said a rate hike could boost the dollar, which would pressure gold
- Strength in the dollar index could push the gold price back toward the \$1,280 mark
- The yellow metal clearly needs a fresh catalyst to accelerate the flight to safety as it is getting limited support from geopolitics

### 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 edged higher today, supported by a weaker dollar amid ongoing concerns about a trade war between the United States and its allies. The dollar index, which measures the greenback against a basket of six major currencies, fell 0.2 percent to 93.497.
- Spot gold was 0.1 percent higher at \$1,296.91 per ounce. U.S gold futures for August delivery were nearly unchanged at \$1,301.30 per ounce. A softer greenback supported dollar-denominated gold after the euro rose to a 10-day high.
- U.S President Donald Trump is not backing down from the tough line he has taken on trade, the White House's top economic adviser said yesterday, setting the stage for a showdown with top allies at this week's G7 summit in Canada.
- The European Union expects to hit U.S imports with additional duties from July, ratcheting up a transatlantic trade conflict after Washington imposed its own tariffs on incoming EU steel and aluminium.
- Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.42 percent to 832.59 tonnes yesterday. Outflows of North American gold-backed exchange traded funds (ETFs) rose in May, as volatility in the gold market dragged prices lower, the World Gold Council said yesterday.
- Investors are sitting on the fence, they only want to be involved when it break out of the range. Gold was trapped between a ceiling at the 200-day moving average at around \$1,308 and \$1,286 on the downside.
- Investor interest is mixed towards gold in the current environment, with geopolitical tensions attracting reduced flows and limiting the downside risk rather than propelling prices higher. More upcoming events could affect gold markets.

### 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 broke down during the trading session yesterday, slicing towards the \$64.33 level again. If it can break down to a fresh, new low, the market should continue to go even further. Economists think that the \$66 level above continues to be resistance, it's only a matter of time before it break down towards the \$63 level, as it is much more important in the past. Market players think that if it can break above the uptrend line and the \$66 level, then things change. But right now it looks likely that the bearish pressure will continue. Brent markets broke down a bit during the day as well, slicing through the \$75 level. By doing so, it is cleared a psychological hurdle for the sellers, and that the market should go to the \$74 level. If it break down below the \$74 level, the market should go much lower, perhaps reaching towards the \$72.50 level after that.

Pivot:	65.02		
Support	64.50	64.20	63.60
Resistance	66.55	66.00	66.65

Source: FX EMPIRE

### Highlights

- Oil prices fell as crude logging its lowest finish in about two months after a report revealed a surprise weekly climb in domestic crude inventories
- Total domestic crude production rose by 31,000 barrels a day
- The global oil benchmark, shed 2 cents to end at \$75.36 a barrel, well above the session's \$74.46 low
- Iraq has started shipping crude oil through its Iraqi Oil Tankers Company, first time since 1991
- An economic crisis fed by the nation's political instability has limited global supply

### 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

- Oil prices fell yesterday on worries that global supply is climbing after U.S inventories rose unexpectedly and Saudi Arabia and other big producers signaled that they may increase output.
- U.S crude inventories rose 2.1 million barrels in the week to June 1, the Energy Information Administration said, a surprise after analysts had forecast a decrease of 1.8 million barrels. Fuel inventories also rose.
- Oil prices are being clobbered by a surprise build to crude stocks as total imports jumped higher, blunting the impact of higher refinery runs. The continuing increase in crude oil production is weighing on the market, and quite significantly compared to this time last year.
- U.S crude output hit a record of 10.8 million barrels a day in the week, according to the EIA's weekly report. Rising production has prompted selling since global benchmark Brent climbed above \$80 a barrel last month.
- U.S light crude settled down 79 cents or 1.2 percent at \$64.73 a barrel. Brent pared losses late in the session, settling down 2 cents at \$75.26 a barrel. In post-settlement trade, Brent turned positive, rising 18 cents a barrel.
- U.S crude dropped more quickly than Brent, the spread between the two widened by 6.5 percent from the previous session to as much as \$10.74 a barrel. The U.S government has unofficially asked Saudi Arabia and other OPEC producers to boost output.
- The oil price is being driven by OPEC and views on how much and how quickly 'OPEC plus' will raise output. U.S oil production is up 1.5 million bpd from a year earlier.

### 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 broke out to the upside, breaking above the top of the short term consolidation area that it has been in for a while, and now it has formed a bit of a “W pattern”, and that of course is a very bullish sign. Economists think at this point, it is likely to go towards the \$17 level above, which of course is a large, round, psychologically significant number. The short-term pullbacks can find buyers near the \$16.50 level, and the market should continue to be very noisy. However, it could go much higher, as it has seen so much in the way of resistance. Market players think that short-term pullbacks continue to offer value, and continue to build a larger position for the longer-term move. The \$20 level above will be a massive resistance barrier to overcome, and there will be several attempts to reach that level, and short-term pullbacks continue to be where it can buy silver on the cheap.

Pivot:	16.65		
Support	16.58	16.45	16.35
Resistance	16.73	16.83	16.97

Source: FX EMPIRE

### Highlights

- Silver prices were modestly higher yesterday, as the U.S dollar fell as trade war concerns remained in focus
- The U.S trade deficit fell to a seven-month low in April as exports rose to a record high
- Dollar-denominated assets such as gold are sensitive to moves in the dollar
- Silver is denominated in the U.S currency and is sensitive to moves in the dollar
- The greenback has since moved off its lows, keeping lid on upside momentum in the white metal

### 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 rose yesterday for the second session, moving back into sideways trading that dominated the white metal's movements recently. Silver inched up to \$16.50 an ounce from the opening of \$16.46, with an intraday high at \$16.51, and a low at \$16.46.
- Silver is eking out gains as dollar declines against a basket of major rivals amid continued concerns about trade tensions and a potential trade war between US and allies. Silver is sensitive to moves higher in U.S rates, which lift the opportunity cost of holding silver as it pays no interest.
- Asian stocks rose today, cutting into haven demand on silver and capping its gains. Silver prices were sporting moderate gains and hit a three-week high today. July Comex silver was last up \$0.162 at \$16.705 an ounce.
- World stock markets were mostly firmer overnight and U.S stock indexes hit 2.5-month highs again today, as investors are in upbeat, risk-taking moods at present. This remains a bearish element for safe-haven silver markets. The U.S dollar was lower today on more of a corrective pullback from recent gains.
- Silver gained 1.2 percent to \$16.65 per ounce, earlier hitting \$16.74, its highest since May 14. While silver sales rose about 21 percent, the mint said on Wednesday. The U.S dollar index, which measures the greenback's strength against a basket of six major currencies, was at 93.50, falling 0.37%.
- Markets also look ahead to the Group of Seven meeting, which would be held on June 8 and 9 in Quebec, Canada. Investors also eyed this month's meetings of both the Federal Reserve and the ECB for more hints on monetary policy.
- Meanwhile, the dollar slid in morning trade in Asia, staying on the bearish track from the previous day. The U.S dollar index lost 0.13% to 93.48, heading further away from the 94 level. The 10-year treasury yield rose sharply just shy of the 3% mark as Treasury prices, which trade inversely to yields.

### 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

Thursday, June 07, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs June 07	03:30	AUD AiG Performance of Construction Index (MAY)	Medium	54.0		55.4
Thurs June 07	06:30	AUD Trade Balance (APR)	Medium	A\$977m	A\$1000m	A\$1731m
Thurs June 07	10:00	JPY Leading Index CI (APR P)	Medium	105.6	105.6	104.5
Thurs June 07	10:45	CHF Unemployment Rate s.a. (MAY)	Medium	2.6%	2.6%	2.7%
Thurs June 07	11:00	EUR German Factory Orders n.s.a. (YoY) (APR)	Medium	-0.1%	3.6%	2.9%
Thurs June 07	14:00	EUR Euro-Zone Government Expenditure (QoQ) (1Q)	Medium	0.0%	0.2%	0.3%
Thurs June 07	17:30	USD Initial Jobless Claims (JUN 02)	Medium		225k	221k
Thurs June 07	17:30	USD Continuing Claims (MAY 26)	Medium		1740k	1726k
Thurs June 07	19:30	USD EIA Natural Gas Storage Change (JUN 01)	Low			96

Source: Forex Factory, DailyFX

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