

## Gold

### Technical

Gold prices were up 1%, topping at \$1,261 per ounce, levels last seen on May 18, and up from \$1,237.00 lows on Tuesday. The fading dollar, and waning expectations for a Fed rate hike anytime soon have been the factors behind the rally. Support is seen near the 10-day moving average at 1,227, while resistance is seen near the May highs at 1,304. Momentum has turned positive as the MACD (moving average convergence divergence) index recently generated a buy signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses above the 9-day moving average of the spread. The index moved from negative to positive territory confirming the buy signal. The RSI moved higher with price action reflecting accelerating positive momentum.

Pivot:	1,262		
Support	1,253	1,246	1,234
Resistance	1,276	1,286	1,293

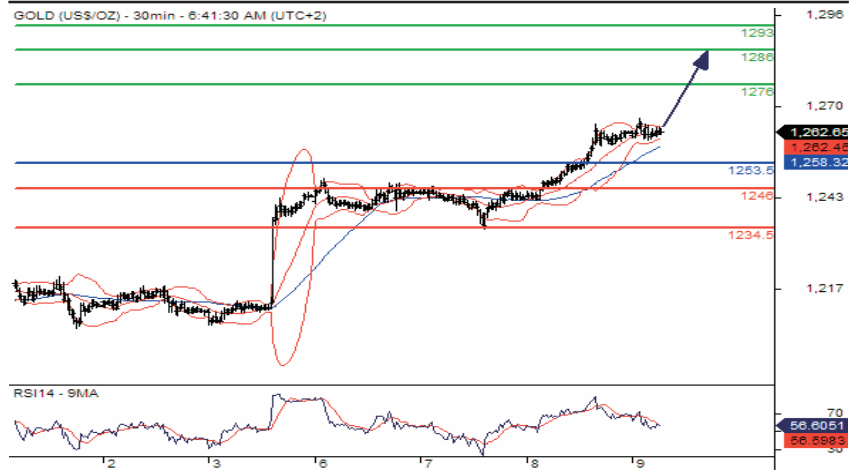
### Highlights

- Gold hit a fresh three week high early today, after jumping 1.5 percent
- A weaker Dollar and diminishing expectations of an interest rate hike by the U.S Fed is supporting the precious metal
- The safe haven asset, which climbed about 1.5 percent yesterday, has gained about 19 percent in 2016 so far
- The dollar index inched 0.1 percent lower to 93.51
- Japan's core machinery orders tumbled 11.0 percent in April

### Gold - Technical Indicators

RSI 14	55.43
SMA 20	1,236.47
SMA 50	1,251.33
SMA 100	1,240.69
SMA 200	1,172.53

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold traded near a three-week high on prospects that central bank policies will continue to be accommodative, with the European Central Bank embarking on a corporate bond-buying program and investors betting that U.S. rates will stay lower for longer.
- Bullion for immediate delivery was little changed at \$1,261.90 an ounce, after rising 1.5 percent to \$1,262.80 on Wednesday, the highest close since May 17, according to Bloomberg generic pricing.
- The ECB plunged into the corporate bond market on Wednesday, buying the debt of some of the continent's biggest companies. In the U.S., a weak jobs report has upended bets that the Federal Reserve will hike rates at its meeting next week, with traders pricing in zero chance of an interest-rate increase. The odds of such a move only rise above 50 percent at the December meeting, according to Fed-fund futures.
- Low or negative sovereign and corporate debt may push investors to either riskier assets or commodities, including gold. Gold has rallied 19 percent this year as low or negative rates boost the appeal of the metal, which doesn't pay interest, while a sputtering dollar and concerns over economic growth spur demand for bullion as a store of value.
- Dollar Spot Index retreated for a third day to the lowest intraday level since May 5. On Monday, Fed Chair Janet Yellen said the U.S. economy was making progress, while remaining silent on the timing of monetary tightening.
- Bullion has drawn strength from dovish Fed commentary, the proliferation of negative rates and renewed haven appeal, said Mark Keenan, head of commodities research for Asia at Societe Generale SA in Singapore. The Fed meeting is important in shaping the outlook of commodities and "we expect gold and silver to be among the most sensitive

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

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	227381	82403	73%	120854	284003	30%	49448	31277	61%	384,974
01- Mar-16	223186	70773	76%	115571	287002	29%	51148	36,819	61%	450555
08- Mar-16	252895	78085	76%	116493	311865	27%	53520	32958	62%	499110
15- Mar-16	247659	78147	76%	118610	304141	28%	49810	33791	60%	493086
22- Mar-16	258646	79815	76%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

Crude oil prices moved higher eclipsing 51 per barrel, and poised to test the November highs near 52.20. Support is seen near the 10-day moving average at 49.54. Momentum is accelerating as the RSI moved higher piercing through 70. The only caveat is that the print is above the overbought trigger level that could foreshadow a correction. Crude oil inventories declined by more than expected. The Energy Information Administration reported that U.S. commercial crude oil inventories decreased by 3.2 million barrels from the previous week. Gasoline inventories increased by 1.0 million barrels last week, while distillate fuel inventories increased by 1.8 million barrels. Imports were actually down but offset by a large increase in production in Alaska. According to the EIA, U.S crude oil imports averaged 7.7 million barrels per day last week.

Pivot:	51.50		
Support	50.95	50.30	49.80
Resistance	52.25	52.92	53.75

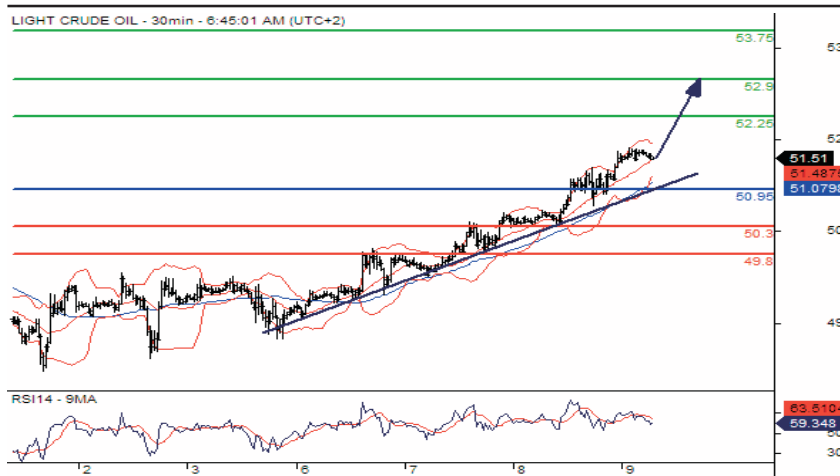
### Highlights

- Crude oil prices extended gains above \$50 per barrel mark in early Asian trade
- Strong China imports aided positive trading sentiment amid the ongoing supply outages in Nigeria and falling U.S crude oil inventories
- Crude futures for delivery in July traded at \$51.59 a barrel, up \$0.36
- Crude oil prices are now hovering near a 10-month high, but whether the rally will sustain for much longer remains doubtful
- U.S crude stocks last week fell by 3.23 million barrels to 532.5 million barrels

### Crude - Technical Indicators

RSI 14	70.85
SMA 20	49.18
SMA 50	46.13
SMA 100	40.71
SMA 200	39.99

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices edged up to fresh 2016 highs in today's Asian trading session, buoyed by a fall in U.S crude oil inventories, a weaker dollar and strong demand, although some analysts warned that the recent rally was starting to look overblown.
- International Brent crude oil futures hit a high of \$52.86 a barrel, and were up 23 cents at \$52.74 a barrel. U.S crude hit a fresh high of \$51.67 and was up 33 cents higher at \$51.56 a barrel.
- Traders said the rises were largely a result of a drop in U.S. crude inventories. Data from the U.S. Energy Information Administration (EIA) showed U.S. crude stocks last week fell by 3.23 million barrels to 532.5 million barrels, marking their third consecutive weekly fall.
- Some of the U.S drawdown was down to disrupted Canadian output due to wildfires. Lower than usual Canadian flows have helped fuel the draw in stock. A weaker dollar is also supporting oil prices traders said.
- The dollar is down around 2.4 percent this month against a basket of currencies, making dollar-traded fuel imports for countries using other currencies cheaper. But some analysts said there were also signs that the recent oil price rise which saw Brent rally 6 percent this month and prices virtually double since February to one-year highs, may be overblown.
- Traders also warned of an ongoing build in refined product stocks in the United States and Asia. With fundamentals weighing both for and against higher prices, many traders and analysts say a price tag of \$50-60 for a barrel of crude may be fair value for oil.
- The militant group Niger Delta Avengers has vowed to shutter the country's oil operations. Multiple attacks on key pipelines and facilities have reduced Nigeria's daily oil output to around 1 million barrels.

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

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01- Mar-16	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
08- Mar-16	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
15- Mar-16	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
22- Mar-16	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

## Silver

### Technical

Silver markets exploded to the upside on Wednesday, touching the \$17 level. There is a significant amount of noise just above though, so short-term pullbacks might be needed in order to build up the momentum to continue going higher. We certainly have no interest in selling this market, and looks very strong at the moment and of course the falling US dollar in general will continue to propel precious metals higher. At this point in time, we believe that it is going to be a return to the highs, which is roughly \$18 in this market. The one-day move has already brought the resistance zone between 16.70 and 16.90 into play. This area could be tough for the metal to contend with in the immediate future given its effectiveness as support during the April rise and prior to it coming unglued during the middle part of May; old support becomes new resistance.

Pivot:	17.17		
Support	16.80	16.53	16.34
Resistance	17.45	17.58	17.80

### Highlights

- Silver rose 2 percent to \$16.71 an ounce in yesterday's trading session
- The white metal touched near three-week highs today in Asian session
- Silver was bolstered by a weaker dollar on declining expectations that the Fed will raise interest rates any time soon
- The World Bank slashed its 2016 global growth forecast yesterday
- Nervousness over Britain's referendum on its EU membership could also bolster silver prices over the next few weeks

### Silver - Technical Indicators

RSI 14	56.67
SMA 20	16.38
SMA 50	16.77
SMA 100	16.04
SMA 200	15.32

### Silver Daily Graph



### Fundamentals

- Silver hit a fresh three-week high today in Asian session after climbing nearly 4 percent in the prior session, its biggest one-day gain since April 19. Silver rose 1 percent to \$17.20 per ounce.
- Silver prices were helped by a weaker dollar and diminishing expectations of an early interest rate hike by the U.S. Federal Reserve. Silver was also boosted by disappointing U.S. non-farm payroll data and Fed chair Janet Yellen's cautious comments on Monday.
- While there is likely further room to the upside for precious metals, there may be some road blocks to the rally near term. We expect that as the FOMC approaches trading volume may quieten down and some near term traders will book square and take profits.
- Net long positions have increased significantly and this should be partly reflected in the next set of Commitments of Traders data. This may restrain further purchases and may even trigger profit taking.
- Through April, the price of silver per ounce rose 28%. However, in May, silver prices fell. The share price of the iShares Silver Trust equity-traded fund (ETF), which is a proxy for silver prices, currently stands at \$15.61, more than 9% below its late April high of \$17.09.
- On Friday, June 3, the report on jobs was less than stellar for the economy overall. Although the unemployment rate for the United States dropped further, to 4.7%, the creation of jobs was far less than the economic consensus was expecting. Consensus estimates were for 158,000 new jobs; the final figure was only 38,000.
- The gold/silver ratio is one of the key determinants of projected silver prices. This ratio is based the number of ounces of silver needed to purchase an ounce of the gold. Currently stands at 79.6, the high side of historical valuations.

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	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01- Mar-16	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
08- Mar-16	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
15- Mar-16	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
22- Mar-16	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Thursday, June 09, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Jun 09	01:30	CNY Producer Price Index (YoY) (MAY)	medium		-3.2%	-3.4%
Thu Jun 09	05:45	CHF Unemployment Rate (MAY)	low		3.4%	3.5%
Thu Jun 09	06:00	JPY Machine Tool Orders (YoY) (MAY)	medium			-26.3%
Thu Jun 09	06:00	EUR German Trade Balance (euros) (APR)	low		21.3b	26.0b
Thu Jun 09	08:30	GBP Total Trade Balance (Pounds) (APR)	medium		-£3550	-£3830
Thu Jun 09	12:30	USD Initial Jobless Claims (JUN 4)	medium		270k	267k
Thu Jun 09	12:30	USD Continuing Claims (MAY 28)	medium		2171k	2172k
Thu Jun 09	12:30	CAD New Housing Price Index (YoY) (APR)	medium			2.0%
Thu Jun 09	16:00	USD Household Change in Net Worth (1Q)	medium			\$1637b

Source: Forex Factory, DailyFX

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