

## Gold

### Technical

Gold markets initially fell on Tuesday but found enough support at the \$1260 level to turn around and form a hammer. This is obviously very bullish sign, and it is also at an area where we have seen a lot of action in the past. I believe the gold markets are trying to set themselves up for what is coming later today, the results of the FOMC meeting. While the interest rate hike is all but a done deal, the market will be paying the most attention to the accompanying statement, which gives us an idea as to where we could be going forward. A lot of market participants are starting to suggest that perhaps we will have less interest rate hikes than originally thought, and that should be good for gold. However, if it looks as if the Federal Reserve is ready to continue raising rates going forward, we could also see this market fall apart. I think that there is an argument to me made for either direction.

Pivot:	1,267		
Support	1,262	1,258	1,254
Resistance	1,270	1,276	1,280

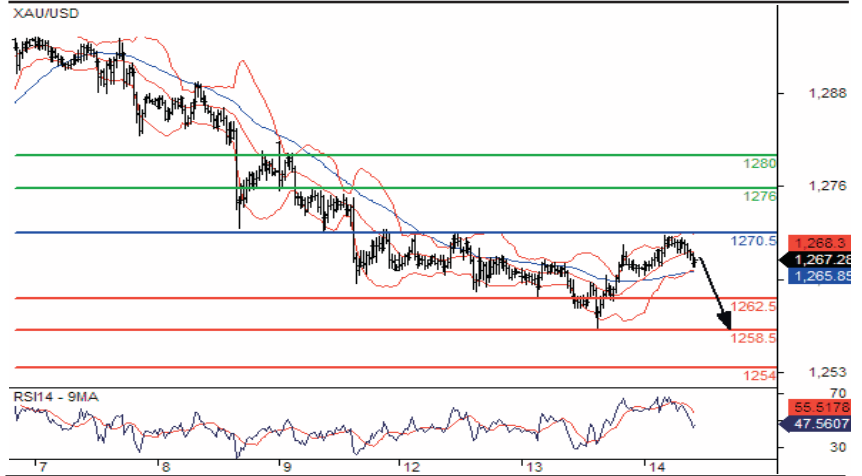
### Highlights

- Gold prices pared much of their earlier losses yesterday but still notched a fifth-straight decline
- The Federal Reserve is widely expected to wrap up its two-day meeting today with an increase to interest rates
- The meeting includes a news conference from Chairwoman Janet Yellen
- Gold marked its longest string of losses since the nine-session period
- There is a risk of gold weakening with the Fed, Bank of Japan and Bank of England policy meetings this week

### Gold - Technical Indicators

RSI 14	65.71
SMA 20	1,323.2
SMA 50	1,291.3
SMA 100	1,234.5
SMA 200	1,235.8

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold inched up today as the market waited for direction from the outcome of a two-day U.S. Federal Reserve meeting, with the central bank expected to hike interest rates and give indications on its monetary policy for the rest of the year.
- The Fed is scheduled to release its interest rate decision today, with Chair Janet Yellen due to hold a press conference 30 minutes later. Higher rates could boost the dollar, making commodities priced in the greenback more expensive for holders of other currencies.
- Most people have already priced in a rate hike in June. What really matters is the anticipation on further action and whether there will be hints on the extent or the schedule of the shrinkage of the balance sheet as well as other monetary policy actions.
- The central bank could provide more details on its plans to shrink the mammoth bond portfolio it amassed to nurse the economic recovery. Gold prices could see a temporary setback, especially with the market currently far underestimating the pace of Fed rate hikes.
- Spot gold was up 0.1 percent at \$1,267.05 per ounce. On Tuesday, it touched its weakest since June 2 at \$1,259.16. U.S gold futures for August delivery were nearly flat at \$1,268.90 an ounce.
- With geopolitical risk having receded over the last week, gold is now trading on fundamentals and will be subject to the nuances of U.S. dollar weakness or strength.
- Meanwhile, the testimony of U.S. Attorney General Jeff Sessions and his refusal to detail conversations with President Donald Trump was deemed a "non-event" by some market analysts. In the wider markets, the U.S. dollar remained flat and Asian shares turned mixed today.

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

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

The WTI Crude Oil market initially fell again on Tuesday but bounced a bit and rose by the end of the day to test out the top of the consolidation area that we have been stuck in for several sessions. I believe we are going to get a bit of a bounce from here, but quite frankly I feel it's only matter time before the sellers get involved. The first place I would look for selling pressure is the \$47 level, followed very quickly by the \$48 level. Quite frankly, I believe that oil is in serious trouble longer-term, as the glut continues and quite frankly we don't have any signs of strengthening demand. On top of that, we have the US, Mexican, and Canadian drillers all operating at full tilt and expanding. With this, I believe that his only matter time before you get the opportunity to take advantage of selling pressure. Brent markets initially fell as well but found the \$48 level to be supportive enough to bounce the market.

Pivot:	45.95		
Support	45.65	45.30	44.80
Resistance	46.40	46.75	47.10

### Highlights

- Oil prices settled higher after OPEC detailed supply cuts around the world
- American Petroleum Institute said crude stocks rose by a surprising 2.8 million barrels for the week to June 9
- U.S light crude settled up 38 cents to \$46.46 a barrel
- The market will watch to see whether the API data is confirmed by official figures due today from the U.S EIA
- Crude oil prices seems to be struggling for a rebound

### Crude - Technical Indicators

RSI 14	46.23
SMA 20	45.56
SMA 50	47.63
SMA 100	48.76
SMA 200	50.11

### Crude Oil Daily Graph



### Fundamentals

- Oil prices fell today in Asian session after industry data showed a build in U.S. crude stocks and OPEC reported a rise in its production despite a pledge to cut output.
- Brent crude oil was down 36 cents a barrel at \$48.36. U.S crude was 45 cents lower at \$46.01. Crude prices have fallen more than 10 percent since late May, pulled down by heavy global oversupply that has persisted despite a move led by the OPEC to curb production.
- OPEC and other exporters such as Russia have agreed to keep production almost 1.8 million barrels per day (bpd) below the levels pumped at the end of last year and not to increase output until the end of the first quarter of 2018.
- But adherence to the cuts is under scrutiny and the producer group said this week that its output rose by 336,000 bpd in May to 32.14 million bpd. Oil stocks are near record highs in some parts of the world, and producers that are not part of the OPEC deal are increasing output.
- The International Energy Agency on Wednesday said it expected growth in non-OPEC supply to be higher next year than growth in overall global demand. For total non-OPEC production, we expect production to grow by 700,000 bpd this year, but our first outlook for 2018 makes sobering reading for those producers looking to restrain supply.
- Shale supply has pushed U.S. crude production up by about 10 percent over the last year to 9.3 million bpd - not far below the output of top exporter Saudi Arabia.
- Data from the American Petroleum Institute showed in yesterday's trading session that U.S. crude stocks rose by 2.8 million barrels in the week to June 9 to 511.4 million, compared with expectations for a decrease of 2.7 million barrels.

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	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

## Silver

### Technical

Silver markets fell significantly during the session on Tuesday, finding support nearly \$16.50 later in the day though, turning around for a bit of a hammer on the daily chart. Because of this, I believe that the buyers are coming back trying to pick up value, and if we can break above the \$17 level, it's likely that the market will then go looking for the \$17.50 level after that. Ultimately, I think that the social market still represents a nice buying opportunity longer-term, but they are notoriously volatile in the best of conditions, and of course right now that is a going to be any different. I would suspect that picking up small positions and adding along the way is probably going to be the best way to play this market, as we have so much in the way of volatility and geopolitical concerns. However, there is a fundamental argument to be made for silver going higher, as supply simply does not fill demand.

Pivot:	16.87		
Support	16.72	16.65	16.50
Resistance	17.00	17.18	17.36

### Highlights

- Silver crept up early today as the market waited for the end of a two-day U.S. Federal Reserve meeting
- The central bank is expected to hike interest rates and give indications on its monetary policy for the rest of the year
- Fed will probably express its confidence inflation to climb towards 2 percent target
- Britain entered a sixth day of political limbo in today's session
- Silver slipped 0.5 percent to \$16.84 per ounce, having earlier hit \$16.68, its lowest since May 19

### Silver - Technical Indicators

RSI 14	56.32
SMA 20	19.22
SMA 50	18.34
SMA 100	17.49
SMA 200	17.54

### Silver Daily Graph



### Fundamentals

- Silver extended its losing streak to five days on Tuesday, as investors awaited the outcome of the Federal Open Market Committee (FOMC) meeting in Washington.
- July silver futures declined 15 cents, or 0.9%, to \$16.80 a troy ounce. The contract bounced around between \$16.78 and \$16.96 through the overnight session.
- The grey metal has declined nearly 5% over the five-day skid, which knocked prices from their highest levels since mid-April. Gold prices also fell through the early morning session. The August futures contract was down \$5.20, or 0.4%, to \$1,263.60 a troy ounce.
- The Federal Reserve kicked off its two-day policy meeting on Tuesday against a backdrop of mixed fundamentals that point to a slower U.S. economy. Nevertheless, traders are steadfast in their view that the Fed will raise interest rates at the conclusion of its meeting today.
- Fed Fund futures prices imply a nearly 100% probability of liftoff tomorrow, latest CME data show. The Fed's rate decision will be accompanied by quarterly economic projections that could provide investors with clues about the pace and timing of future rate hikes.
- Rate-hike bets have failed to generate convincing support for the U.S. dollar, which usually responds well to rising interest rates. The U.S. dollar index was last up 0.1% at 97.25, but is trading around 5.5% lower than its post-election peak.
- A stronger dollar often serves as a disincentive for holding gold and silver, which are priced in the U.S. currency. Rate-hike expectations have driven the greenback higher over the past two years, a period that has been largely bearish for precious metals.

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	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Wednesday, June 14, 2017



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Jun 14	11:00	EUR German Consumer Price Index (YoY) (MAY)	Medium	1.5%	1.5%	1.5%
Wed Jun 14	13:30	GBP Jobless Claims Change (MAY)	Medium	7.3k	10.0k	22.0k
Wed Jun 14	13:30	GBP Average Weekly Earnings (3M/YoY) (APR)	Medium	2.1%	2.4%	2.3%
Wed Jun 14	13:30	GBP Employment Change 3M/3M (APR)	Medium	109k	125k	122k
Wed Jun 14	16:00	USD MBA Mortgage Applications (JUN 09)	Medium	2.8%		7.1%
Wed Jun 14	17:30	USD Consumer Price Index (YoY) (MAY)	High		2.0%	2.2%
Wed Jun 14	17:30	USD Advance Retail Sales (MAY)	High		0.1%	0.4%
Wed Jun 14	19:30	USD DOE U.S. Crude Oil Inventories (JUN 09)	Medium			3295k
Wed Jun 14	23:00	USD Federal Open Market Committee Rate Decision (JUN 14)	High		1.25%	1.00%

Source: Forex Factory, DailyFX

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