

Gold

Technical

Gold markets have gone sideways in general, dancing around the \$1275 level. That's an area that of course is important, based upon previous action. It had recently have broken down below a trend line, so that of course was a negative sign, but at the end of the day it does not look like we are facing some type of meltdown. At this point, it's simply a function of the strengthening US dollar, something that it could see for the better part of the summer. However, it recognize that if it was to break above the \$1283 level, the market is very likely to go looking towards the \$1300 level again. There is the possibility that gold will pick up a bid from those looking for safety, but at the same time it typically will strengthen the US dollar overall. If that happens, it could get bearish pressure at the same time. Longer-term that gold rallies, clearly it has a lot of things to work through in the meantime.

Pivot:	1,265		
Support	1,261	1,255	1,249
Resistance	1,269	1,276	1,280

Source: FX EMPIRE

Highlights

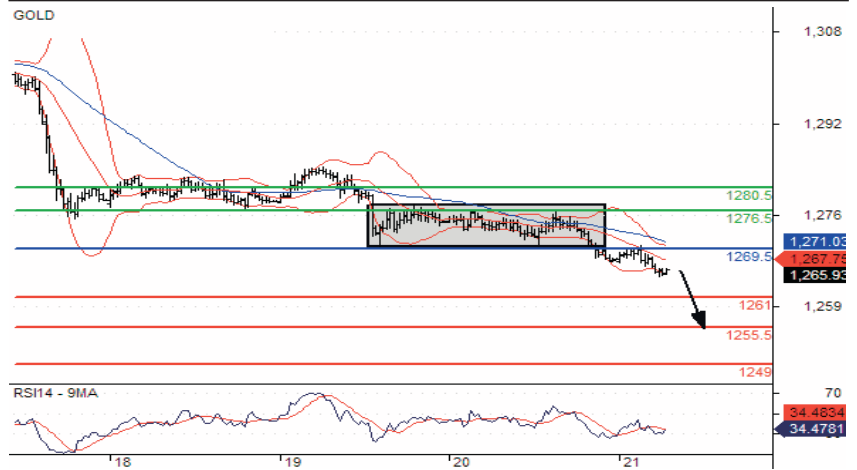
- Gold pressed down further by a firm dollar and FED confirmed an outlook for higher interest rates
- Rising bond yields can also dull the luster of gold, which offers no yield
- The dollar held near an 11-month high against a basket of currencies today, supported by a rise in U.S yields
- Strength in dollar eroded appetite for the precious yellow meta
- A stronger greenback makes dollar-denominated gold more expensive for holders of other currencies

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 up today, but hovered close to a six-month low touched in the previous session as a firm U.S dollar curbed gains. Precious metal gold is firmly in a downtrend and this is mainly due to the strength in the dollar index which is trading at a significant level.
- Spot gold was up 0.1 percent at \$1,269.05 an ounce. It touched \$1,267.40 yesterday, its lowest since Dec. 22. U.S gold futures for August delivery were down 0.3 percent at \$1,271.30 per ounce.
- The dollar index, which measures the greenback against a basket of six major currencies, stood at 95.102 after rising to 95.299 overnight, its highest since mid-July 2017. The dollar strength follows a remark from Fed Chairman Jerome Powell yesterday and that is driving gold down.
- The U.S jobs market does not appear overly tight and the Federal Reserve should continue with a gradual pace of interest rate rises amid a strong economy to balance its employment and inflation goals.
- Concerns about U.S trade policy are increasing among business officials who are beginning to hold off on hiring and investment decisions given the level of uncertainty.
- A developing trade war between the world's biggest economies is weighing on business confidence and could force central banks to downgrade their outlook, the world's most powerful policymakers argued. Gold prices, which can benefit in times of uncertainty, failed to gain so far this week, despite the ongoing trade war.
- A strengthening dollar weighs on commodities pegged to the monetary unit, because it makes those assets more expensive for buyers using other currencies.

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 has been very noisy during the trading session yesterday, drifting back and forth between the \$64.75 level, and the \$66 level. If it can continue above the \$66 level, that would be a very bullish sign for this market, perhaps “front running” the announcement to the \$67 level. The uptrend line underneath continues offer support, and it’s only a matter of time before it get some type of buying pressure on a pullback, especially if it fall between now and Friday when it expect to have much more in the way of details when it comes to OPEC production output. Brent markets of course have been noisy as well but do have a little bit more structure to them, as the 50 hour SMA has been somewhat reliable, and of course is \$75 level attract a lot of attention. A break above the \$76 level could open the door to the \$77 level.

Pivot:	65.45		
Support	64.95	64.40	64.00
Resistance	65.80	66.35	66.95

Source: FX EMPIRE

Highlights

- Oil prices fell on as crude exporters in OPEC appeared to be nearing a deal to increase production
- U.S crude oil production was flat week-on-week, remaining at a record 10.9 million bpd
- Brent reached a 3-1/2-year high above \$80 a barrel last month
- Countries without spare capacity, including Iraq, Iran and Venezuela, prefer to keep the supply limits in place
- Gasoline and distillate stockpiles rose by 3.3 million barrels and 2.7 million barrels respectively

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 today as Iran signaled it could be won over to a small rise in OPEC crude output, potentially paving the way for the producer cartel to agree a supply increase during a meeting.
- Prices were prevented from dropping further by robust U.S fuel demand seen in record refinery runs, strong travel data and a large decline in crude inventories. Saudi Energy Minister also said that the market demanded more oil in the second half of this year and that OPEC was moving towards "a good decision".
- Brent crude futures were at \$74.33 per barrel, down 41 cents, or 0.55 percent, from their last close. U.S West Texas Intermediate crude futures were at \$65.50 a barrel, down 21 cents, or 0.3 percent.
- Iran, a major supplier within the producer cartel of the OPEC, it could agree on a small increase in the group's output during a meeting to be held at OPEC's headquarters in Vienna on June 22 together with non-OPEC member but top producer Russia.
- It expect OPEC and Russia to gradually add supplies back to the market by next year, mostly offsetting the almost 1 million barrels per day (bpd) supply disruption in Venezuela.
- OPEC, together with other key producers including Russia, started withholding output in 2017 to prop up prices, but a tightening market in 2018 led to calls by major consumers for more supplies.
- U.S refineries processed a record of 17.7 million bpd of crude oil last week. Mid healthy consumption, commercial U.S crude inventories dropped by 5.9 million barrels in the week to June 15, to 426.53 million barrels , the EIA said.

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 been very quiet over the last couple of days and are currently dancing around the \$16.25 level. Silver is highly sensitive to risk appetite and of course the US dollar, so if the US dollar were to rally like it did on Thursday of last week, it's likely that silver will fall. At this point, it look at the \$16.50 level above is a bit of resistance, and if it can clear the \$16.60 level, this is a very strong sign, and it should continue to go to the \$17 level after that. In the short term, the \$16.25 level should offer plenty of support, and at this point the market breaking down below there could open the door to the \$16 level underneath. That's a large, round, psychologically significant number, and an area that would attract a lot of attention as it has in the past. Longer-term, it anticipate that this market will go looking towards the \$20 level, but it don't have the catalyst currently.

Pivot:	16.23		
Support	16.12	16.02	15.89
Resistance	16.38	16.55	16.63

Source: FX EMPIRE

Highlights

- Silver fell 0.5 percent to \$16.18 an ounce, having earlier touched its lowest since early May at \$16.16
- U.S President said that it is expected to announce new trade deals with certain unspecified countries
- Long-term Treasury yields also recovered from three-week lows yesterday, supporting the dollar's rise
- It is expected that silver to enjoy more pronounced gains relative to gold
- July Comex silver was last down \$0.008 at \$16.315 an ounce

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 tilted lower as the dollar index traded flat near July 17 highs, following earlier data from the US, the world's largest economy. Silver futures due on July 15 fell 0.08% to \$16.310 an ounce from the opening of \$16.320, while the dollar index traded flat at 95.00 near one-year highs.
- Silver prices are slightly lower and hit a four-week low. The near-term technical postures for metal have deteriorated the past week, which is inviting the chart-based sellers into the futures markets.
- The safe-haven silver market can't hold a bid despite some risk aversion seen in the marketplace this week, due to worries about a global trade war. It seems the specter of less global commerce in raw commodities if a trade war would break out is trumping safe-haven buying.
- A strong U.S dollar is also working against the precious metals markets. The U.S dollar index hit another 11-month high overnight. Since silver is priced in U.S dollars on most world markets, any appreciation of the greenback makes the metal more expensive to purchase in non-U.S currency.
- Another issue affecting sentiment towards precious metal in general relates to the performance of U.S equities. Although the stock market has faltered in recent months, with little apparent positive reaction to what was an exceptionally strong corporate earnings season in the U.S.
- Silver has also been impacted by an increasing correlation with industrial base metals, with the latter stalling. For the coming months, therefore, the silver price will still face major challenges.
- Later this year though, as U.S economic growth starts to falter, investors will increasingly believe that equities have plateaued. Many investors still view this as a pause, before equities resume their upward momentum.

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 21, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs June 21	12:30	CHF SNB Sight Deposit Interest Rate (JUN 21)	High	-0.75%	-0.75%	-0.75%
Thurs June 21	12:30	CHF SNB 3-Month Libor Upper Target Range (JUN 21)	High	-0.25%	-0.25%	-0.25%
Thurs June 21	13:30	GBP Public Sector Net Borrowing (MAY)	Medium	3.36B	5.0b	5.27b
Thurs June 21	16:00	GBP Bank of England Bank Rate (JUN 21)	High		0.50%	0.50%
Thurs June 21	16:00	GBP BOE Asset Purchase Target (JUN)	High		435b	435b
Thurs June 21	17:30	USD Initial Jobless Claims (JUN 16)	Medium		220k	218k
Thurs June 21	17:30	USD Continuing Claims (JUN 09)	Medium		1710k	1697k
Thurs June 21	18:00	USD House Price Index (MoM) (APR)	Medium		0.5%	0.1%
Thurs June 21	19:00	USD Leading Index (MAY)	Medium		0.4%	0.4%

Source: Forex Factory, DailyFX

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