

## Gold

### Technical

Gold markets continue to be bearish overall during the day yesterday, as it can see the 50 hour EMA offer plenty of resistance. Beyond that, it did get a bit of a bounce from the psychologically and structurally important \$1250 level, but that is a bit of a fantasy to think that it is going to turn around and start rallying with any type of significance at this point. Economists believe that short-term rallies will continue to be sold, but it may take a significant amount of momentum to break down through the \$1250 level significantly and for a longer move. Because of this, and the headlines moving around the world it makes sense that this market continues to be very volatile to say the least. It will get continued and sustained downward pressure, perhaps reaching towards the \$1225 level over the longer-term. Short-term sellers continue to run the market overall.

Pivot:	1,249		
Support	1,245	1,243	1,240
Resistance	1,251	1,255	1,260

Source: FX EMPIRE

### Highlights

- Gold fell to its lowest level in more than six months yesterday
- The dollar is strong, so it is expected to gold prices to head down
- Gold is weak now and people are not looking to invest at this point of time
- The trade tensions pushed the dollar to test a one-year high against a currency basket, before it fell back
- The dollar index's strength is mainly powered by hopes for higher rates and rising yields and there seems to be no change

### Gold - Technical Indicators

RSI 14	70.21
SMA 20	1,260.3
SMA 50	1,259.1
SMA 100	1,258.9
SMA 200	1,257.5

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold rose today after slipping to a more than six-month low in the previous session, as the dollar retreated from recent highs amid a rising euro, but the yellow metal was on track for its worst month since November 2016.
- Spot gold was 0.2 percent higher at \$1,250.90 an ounce. Yesterday, it touched \$1,245.32, its lowest since December 13, 2017. Spot gold was down about 3.6 percent for the month, heading towards its worst monthly loss since Nov. 2016. U.S gold futures were up 0.1 percent at \$1,252.50 an ounce.
- The yellow metal was on track for its third straight weekly decline, having slipped 1.4 percent so far this week. A stronger euro potentially boosts demand for gold by making dollar-priced bullion cheaper for European investors.
- The dollar index against a basket of six major currencies was down 0.6 percent at 94.803, after having risen to about one-year high. But, the index was still up 5.4 percent this quarter, supported mainly by rising U.S interest rates and an improving U.S economy.
- The U.S economy slowed more than previously estimated in the first quarter amid the weakest consumer spending in nearly five years, but growth appears to have since regained on the back of a robust labor market and tax cuts.
- There is some safe-haven demand going into gold but not as much as is going elsewhere, like the dollar or treasuries or safe-haven currencies like the franc. Higher yields make gold more expensive for users of other currencies and less attractive to investors since it does not yield interest.
- A strong dollar makes dollar-priced gold costlier for non-U.S investors and while falling equities, seen as risky assets, usually help safe-haven gold, they have failed to do so this time.

### 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 Crude Oil market rallied yesterday as it continues to see the mass of bullish pressure pick up. The market goes towards the \$75 level given enough time, as it is a large, round, psychologically significant level, and it is also an area where it has seen significant reactions on longer-term charts, so it's only a matter of time before it does get a pullback. However, the market will continue to find plenty of reasons to go higher in the short term, and as it is in the typically higher pricing season, it makes sense that it would continue to be buyers. The \$72 level underneath is support now, and if it breaks down below there it could drop down to the \$70 level. Brent is breaking above the highs of the week, and it now looks as if it is ready to go towards the \$80 level. The market continues to be very noisy, but obviously very bullish as it has concerns about the Iranian oil supply not entering the market.

Pivot:	73.19		
Support	72.20	71.20	70.00
Resistance	74.05	74.62	75.85

Source: FX EMPIRE

### Highlights

- Oil prices climbed yesterday and again marked its highest level since 2014 in the wake of the biggest weekly decline of the year
- Brent and WTI crude prices finished well off the session's best levels
- OPEC and Russia have said they will raise output to meet demand and replace crude from unplanned disruptions
- Oil prices have been rallying since the beginning of the year on tightening market conditions
- Potential U.S. sanctions against OPEC-exporter Iran are also supporting oil prices

### Crude - Technical Indicators

RSI 14	37.55
SMA 20	70.29
SMA 50	70.33
SMA 100	70.49
SMA 200	70.64

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices dipped today amid escalating trade friction between the United States and other major economies, although crude markets remain tight due to supply disruptions and generally high demand.
- U.S. WTI crude futures were at \$73.19 a barrel, down 26 cents or 0.4 percent, from their last settlement. WTI hit its highest since November 2014 at \$74.03 per barrel. Brent crude futures were at \$77.74 per barrel, down 11 cents.
- The United States this week demanded countries halt imports of Iranian oil from November, a hardline position the Trump administration hopes will cut off funding to Tehran.
- Yesterday, officials said they would work with countries on a case-by-case basis. China, the biggest importer of Iran's oil, has not committed to the U.S. position.
- Iran currently exports around 2.4 million barrels a day of crude. Analysts had estimated that anywhere between 400,000 to one million barrels could be at risk once sanctions are fully reinstated in six months. The sanctions are trying to isolate Iran a bit more, and that potentially cuts more oil off from the overall global arena as a whole.
- The U.S. demands follow a decision by the Organization of the Petroleum Exporting Countries last week to increase production to try to moderate oil prices that have rallied more than 40 percent over the last year.
- Oil prices have rallied for much of 2018 on tightening market conditions due to record demand and voluntary supply cuts led by OPEC and other producers including Russia.

### 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 continue to look a bit soft, and ended up seeing a lot of the selling pressure but did not break down drastically. That's a good sign, as it shows that there is still underlying support and interest in owning silver, and the longer-term outlook for this market still is a "buy on the dips" type situation, but that's an investment, not a trade. However, for an investor these pullbacks offer excellent buying opportunities as there are massive amounts of support just below. Economists believe that the \$15.50 level underneath is the "floor" in the market overall, and it is possible that large money will come back into the marketplace somewhere just above that level. It has certainly seen that happen before, so it's likely that will happen again. For short-term investors will have an opportunity to take advantage of exhaustion on rallies, especially somewhere near the \$16 level.

Pivot:	16.05		
Support	15.90	15.85	15.78
Resistance	16.12	16.19	16.24

Source: FX EMPIRE

### Highlights

- U.S stock pointed narrowly mixed as a global trade war among the major economies are weighing on the global equities markets
- U.S dollar index slightly lower after hitting a 12-month high
- July Comex silver was last down \$0.191 at \$15.955 an ounce
- The Fed is expected to raise interest rates at least four times this year, which would likely dent silver prices
- The precious metal was on track for its third straight weekly decline

### Silver - Technical Indicators

RSI 14	53.61
SMA 20	16.29
SMA 50	16.28
SMA 100	16.28
SMA 200	16.25

Source: FX EMPIRE

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver prices traded moderately lower yesterday. Silver bulls need a good dose of bullish fundamental news, which has been absent from the marketplace in recent weeks. Chart-based sellers in the futures markets have been emboldened this week, amid price downtrends in place for silver.
- Silver futures fell over one percent in American trade to December 14 lows, while the dollar index inched away from July 20, 2017 highs, following earlier data from the US, the world's largest economy.
- Silver futures due on September 15 dropped 1.18% to \$16.05 an ounce from the opening of \$16.24, marking six-month lows, while the dollar index inched down 0.11% to 95.19 from the opening of 95.29.
- Markets are technically oversold on a short-term basis. Many raw commodity prices at present are being viewed as value-buying opportunities, on a longer-term basis, including the precious metal.
- World stock markets were mostly weaker overnight. U.S stock indexes are slightly firmer. Global trade war fears continue to somewhat limit buying interest in world equity markets, but are not producing enough fear to prompt demand for safe-haven silver.
- Earlier US data showed the final reading for first-quarter GDP growth down to 2.0% from 2.2% in the second reading and 2.9% in the fourth quarter of 2017, while GDP prices accelerated to 2.2% from 1.9% in the second reading and 2.3% in the fourth quarter of 2017.
- US unemployment claims rose 9 thousand to 227 thousand from 218 thousand, above forecasts of 220K, while continuing claims for the week ending June 16 fell 21 thousand to 1.705 million from 1.7426 million, below forecasts of 1.718 million.

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

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	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

Friday, June 29, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri June 29	12:55	EUR German Unemployment Claims Rate s.a. (JUN)	High		5.2%	5.2%
Fri June 29	14:00	EUR Euro-Zone Consumer Price Index Estimate (YoY) (JUN)	High		2.0%	1.9%
Fri June 29	17:30	CAD Gross Domestic Product (YoY) (APR)	High		2.5%	2.9%
Fri June 29	17:30	USD Personal Income (MAY)	Medium		0.4%	0.3%
Fri June 29	17:30	USD Real Personal Spending (MAY)	Medium		0.2%	0.4%
Fri June 29	17:30	USD PCE Core (YoY) (MAY)	High		1.9%	1.8%
Fri June 29	18:45	USD Chicago Purchasing Manager (JUN)	Medium		60.0	62.7
Fri June 29	19:00	USD U. of Mich. Sentiment (JUN F)	Medium		99.2	99.3
Fri June 29	22:00	USD Baker Hughes U.S. Rig Count (JUN 29)	Medium			1052

Source: Forex Factory, DailyFX

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