

Gold

Technical

Gold markets fell a bit during the trading session on Tuesday, reaching down towards the \$1300 level. This is an area where I would expect to see value hunters coming into play, and therefore I would love to buy some type of bounce. Today is going to be crucial for gold traders. With the Federal Reserve coming out with an interest rate statement at the end of the day today, and of course traders around the world paying a significant amount of attention to the announcement coming out today, and whether we are going to see 3 or 4 interest rate hikes this year. The more interest rate hikes that we get, the more likely we are to see gold selloff. On the other hand, if we get a return to status quo, the market could rally towards the \$1317 level next. I think that gold markets are going to make a larger decision over the next couple of days, so therefore paying attention will be important.

Pivot:	1,315		
Support	1,309	1,307	1,303
Resistance	1,319	1,322	1,325

Source: FX EMPIRE

Highlights

- Gold futures gave back all of the previous day's gains and then marking its lowest finish in nearly three weeks
- Dollar strengthened ahead of a widely expected interest-rate hike by the Fed
- The Fed will wrap up a two-day monetary policy meeting today
- U.S President Donald Trump is expected to unveil up to \$60 billion in import duties on Chinese goods by Friday
- SPDR holdings, however, fell 0.04 percent on Tuesday

Gold - Technical Indicators

RSI 14	63.56
SMA 20	1,253.2
SMA 50	1,246.1
SMA 100	1,276.3
SMA 200	1,284.8

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices rose today in Asian trading session as the dollar fell as investors await the outcome of the U.S Federal Reserve's meeting this week for signs of the pace of monetary tightening, which could limit the demand for bullion going forward.
- Spot gold was 0.4 percent higher at \$1,315.84 per ounce. Prices fell to a nearly three-week low of \$1,306.91 in the previous session. U.S gold futures for April delivery rose 0.27 percent to \$1,315.40 per ounce.
- The dollar index, which measures the greenback against a basket of six major currencies, slipped 0.2 percent to 90.195 after climbing to 90.445 on Tuesday, its highest since March 1.
- With a 25 basis point interest rate hike seen as a done deal, investors will be on the lookout for whether the Fed forecasts four rate increases in 2018, instead of the median of three hikes in December's quarterly forecast.
- Dealers will be looking at forward guidance to determine the dollar's prospects, and therefore that of gold. The Fed will make an announcement on interest rates today and new Fed Chairman Jerome Powell will hold his first news conference.
- The expectations for a faster pace of U.S rate hikes have caused gold to fall 4 percent from a 1-1/2-year high reached in January. Higher U.S interest rates reduces demand for gold for non-interest-bearing bullion.
- Heightened geo-political tensions, inflation concerns, trade wars and runaway U.S. budget deficit spending should serve to counteract the well-expected Fed rate hike and keep the floor on gold prices intact.
- Holdings in the SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, holdings rose 1.26 percent, their best one-day percentage rise since Jan. 18, to 850.84 tonnes on Monday.

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 out to the upside during the trading session on Tuesday, clearing the \$63.50 level. Because of this, oil looks likely to continue to go higher, as we have seen a significant amount of support recently. The uptrend line that I have been watching is most certainly still supporting the market, and now it looks as if we could try to go towards the \$65 level. That being said, you should pay attention to the US dollar today, because its reaction to the Federal Reserve will have a bit of a “knock on effect” in this market. Brent markets also break out to the upside, reaching towards the \$67.50 level. I think that pullbacks will be buying opportunities, and it looks like we are going to go looking towards the \$70 level eventually. Otherwise, I think that the \$65 level will be massive support. Crude oil certainly is going to continue to show strength in the short term.

Pivot:	63.71		
Support	62.50	62.03	61.45
Resistance	64.12	64.75	65.10

Source: FX EMPIRE

Highlights

- Oil futures settled yesterday at their highest level of the month, finding support from tensions between Iran and Saudi Arabia
- April West Texas Intermediate crude rose by \$1.34, or 2.2%, to settle at \$63.40 a barrel on the New York Mercantile Exchange
- Venezuela output is expected to continue to decline even further
- The EIA will issue its weekly update on U.S petroleum supplies today
- The possibility that the U.S could renew sanctions on Iran would hamper output from the country

Crude - Technical Indicators

RSI 14	57.06
SMA 20	44.65
SMA 50	46.23
SMA 100	47.56
SMA 200	53.27

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil rose for a second day today, heading for its highest in six weeks after a surprise decline in U.S inventories and as concern persisted over possible disruption to Middle East supply.
- Unexpectedly large inventory declines in the United States helped underpin the market, even though refinery maintenance reaches a peak this month, but with the hardening stance of the United States towards Iran, most investors were reluctant to sell oil aggressively.
- Brent crude futures were up 40 cents on the day at \$67.85 a barrel. The price has risen by nearly 10 percent since hitting a two-month low of \$61.77 in early February. U.S. West Texas Intermediate (WTI) crude futures were up 36 cents at \$63.90 a barrel.
- Saudi Arabia's Crown Prince Mohammed bin Salman yesterday arrived in Washington for a state visit, raising speculation the United States could reimpose sanctions on Iran, following renewed criticism of the 2015 nuclear deal.
- Analysts also pointed to the nomination of Mike Pompeo as new U.S Secretary of State as a risk to oil markets, given he fiercely opposed the Iranian nuclear deal as a member of Congress.
- U.S crude stocks fell by 2.7 million barrels in the week ended March 16 to 425.3 million, the American Petroleum Institute said on Tuesday, against expectations for an increase of 2.6 million barrels.
- Official U.S. production and inventory data will be released by the Energy Information Administration (EIA) later on Wednesday. Investors have been particularly wary of the steep rise in U.S. output C-OUT-T-EIA, which has grown by more than 20 percent since mid-2016, to 10.38 million bpd, putting the United States on track to become the world's largest oil producer this year.

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 rolled over during the trading session on Tuesday, reaching down towards the \$16.10 level. There is a lot of support at \$16 as well, longer-term as well as short term. I think that value hunters may come back into the marketplace, but I would be cautious about throwing too much money into the markets. Even if we break below there, I think that the hard "floor" in the market is the \$15 level, an area that has attracted a lot of attention in the past. At that point, I would become much more aggressive in my buying. I believe that eventually Silver goes looking towards the \$20, but if we find out that the Federal Reserve is looking to raise interest rates 4 times this year, that could cause a surge lower, and perhaps a recalculation of the fair value of silver. Ultimately, I do like precious metals but if we get massive interest rate hikes, that will cause the U.S Dollar to rally somewhat.

Pivot:	16.29		
Support	16.15	16.07	15.98
Resistance	16.35	16.44	16.50

Source: FX EMPIRE

Highlights

- Silver prices were moderately lower in U.S trading yesterday, pressured by a stronger U.S dollar index
- May Comex silver was last down \$0.165 at \$16.16 an ounce
- The marketplace is awaiting the major economic data point of the week, today
- The FOMC that began yesterday ends today with a statement
- Fed Chairman holds his first press conference after the meeting. Most expect the Fed to slightly raise U.S interest rates at this week's meeting.

Silver - Technical Indicators

RSI 14	19.80
SMA 20	17.27
SMA 50	16.72
SMA 100	16.85
SMA 200	16.87

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices fell yesterday as the U.S Dollar strengthened ahead of a Federal Reserve meeting at which the U.S central bank is expected to raise interest rates for the first time this year.
- The looming Fed meeting has helped to push gold and silver down. Higher U.S. interest rates are gold-negative because they raise bond yields, reducing the appeal of non-yielding bullion. They also tend to boost the dollar, making gold more expensive for users of other currencies.
- "Everyone's wondering how many dots will be on the plot for 2018. The market has priced in up to three hikes," said Rob Haworth, senior investment strategist for U.S. Bank Wealth Management.
- The Fed will likely take a cautious approach on raising interest rates, helping lift gold prices, said Saxo Bank analyst Ole Hansen. "With inflation not really picking up, rising geopolitical risk, trade wars looming and a flattening yield curve - this is not a backdrop that gives the Fed any urgent need to step up the speed of rate hikes," Hansen said.
- Silver lost 0.8 percent at \$16.17 an ounce after reaching a three-month low. Echoing gold's drop, silver dropped nearly 9 percent from a four-month high in January.
- Platinum dropped 1.2 percent to \$941.99 per ounce after touching its lowest price since Jan. 3 on Monday. Palladium, fell 0.9 percent to \$981.45 after earlier hitting a one-week low of \$974.95 per ounce.
- The key "outside markets" on Tuesday morning saw the U.S. dollar index sharply higher. Still, trading in the USDIX has been choppy and sideways recently. Meantime, Nymex crude oil prices were solidly higher and hit a two-week high.

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

Wednesday, March 21, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Mar 21	14:30	GBP ILO Unemployment Rate 3Mths (JAN)	Medium	4.3%	4.4%	4.4%
Wed Mar 21	14:30	GBP Employment Change 3M/3M (JAN)	Medium	168k	84k	88k
Wed Mar 21	14:30	GBP Public Sector Net Borrowing (FEB)	Medium	-0.27b	-0.3b	-11.6b
Wed Mar 21	16:00	USD MBA Mortgage Applications (MAR 16)	Medium	-1.1%		0.9%
Wed Mar 21	19:00	USD Existing Home Sales (MoM) (FEB)	Medium		0.4%	-3.2%
Wed Mar 21	19:30	USD DOE U.S. Crude Oil Inventories (MAR 16)	Medium			5022k
Wed Mar 21	23:00	USD FOMC Rate Decision (Upper Bound) (MAR 21)	High		1.75%	1.50%
Thu Mar 21	23:00	USD FOMC Rate Decision (Lower Bound) (MAR 21)	High		1.50%	1.25%
Thu Mar 21	23:30	USD Fed Chair Jerome Powell News Conference	High			

Source: Forex Factory, DailyFX

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