

## Gold

### Technical

Gold markets broke down significantly during the trading session yesterday, slicing through the \$1350 level, and reaching towards the \$1340 level. It's likely that the gold market will find buyers underneath that level, as the market has been in such a strong uptrend. With the U.S Dollar starting to sell off during the American trading session, it's possible that we may see gold rally from that reason alone. Beyond that, we have the obvious geopolitical concerns about a potential trade war, and if those flare up again it's likely the gold rallies as well. The \$1350 level was important, so economists believe that the market would continue to be very noisy, but it would also need to make a couple of attempts to finally break out. Once it does, the market could go to the \$1400 level, which is the gateway to much higher prices, perhaps even as high as \$2000 over the longer term.

Pivot:	1,345		
Support	1,336	1,332	1,326
Resistance	1,351	1,357	1,361

Source: FX EMPIRE

### Highlights

- Yellow metal prices dropped 0.6 percent yesterday, their biggest one-day percentage decline since March 15.
- U.S gold futures for April delivery rose 0.3 percent to \$1,346.20 per ounce
- Inflation is trending up, as gold is traditionally seen as a hedge against inflation.
- Gold prices may could jump to \$1,500 an ounce this year, a level they haven't seen since 2013
- Despite pressure from the rally in global stocks and massive cryptocurrency speculation, gold futures have edged up by nearly 3% year to date

### 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 edged higher today, buoyed by a softer dollar, a day after the yellow metal recorded its biggest one-day percentage fall in nearly two weeks as U.S China trade spat concerns eased.
- The United States sparred with China at the World Trade Organization yesterday over the legality of U.S tariffs in response to alleged theft of U.S intellectual property.
- The head of the Federal Reserve Bank of Atlanta, Raphael Bostic, waded into a potentially contentious debate at the U.S central bank yesterday over whether to replace its 2 percent inflation target, saying he favours a new and nearly untested monetary policy strategy known as price-level targeting.
- The world's largest gold-backed exchange-traded fund, said its holdings fell 0.14 percent to 846.12 tonnes yesterday from 847.30 tonnes on Monday. Whereas, China's net gold imports via main conduit Hong Kong plunged 35.5 percent in February from the previous month, data showed yesterday.
- Bullion investors, miners and makers of coins will help drive the fifth straight annual increase in total global gold investment in 2018, CPM Group said in its Gold Yearbook 2018 yesterday, citing geopolitical tensions and fears that the bubbling U.S economic expansion will end in a 2019 recession.
- Tariff wars is one of the obvious headlines that has the potential to be negative for gold, as this could result in a strong dollar, which would be bad for gold. Gold and the dollar often move inversely as a richer dollar dulls the appeal of investors using other currencies.
- Gold prices may even eventually climb to new highs at \$1,900 an ounce, if inflation is trending up then gold may move to new heights. Whereas, major lawsuits against the big banks could have a profound impact if massive dumping of gold and market manipulation.

### 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 initially tried to rally during the day, but gave back a lot of the gains as the \$66 level has caused significant resistance. It shows that the market might be a bit overbought, so it would make sense to see a bit of a pullback at this point, so that traders can find some type of value. Economists suspect that there is support near the \$64 handle, and maybe even at the \$65 level. Market players saw short-term might pull back, but for longer-term probably find buyers to continue to try to press to the upside. While market is bearish longer-term, oil certainly looks as if it is still in an uptrend. Brent oil also was choppy during trading yesterday, using the \$70 level as support, and the \$71 level as resistance. The market should continue to go back and forth and continue to find buyers on these dips. If the US dollar continues to fall, which it has been doing over the last couple of days.

Pivot:	64.89		
Support	64.10	63.58	63.15
Resistance	65.58	65.95	66.55

Source: FX EMPIRE

### Highlights

- Oil prices pulled down by a report of increasing U.S crude inventories.
- U.S WTI crude futures were down 30 cents and Brent crude futures were down 36 cents.
- Saudi Arabia and Russia are considering a long-term extension of their deal to curb production and working to shift from a year-to-year agreement to a 10-20 year agreement.
- Shanghai crude oil futures saw their third day of trading with high volume but also volatility.
- In dollar-terms, that puts Chinese crude prices significantly below.

### 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 settled lower yesterday, pressured ahead of a U.S. government report that is expected to show a weekly rise in crude supplies, but support from talk among major producers to extend their production-cut deal kept losses at a minimum
- May Brent crude oil fell a penny to finish at \$70.11 a barrel on ICE Futures Europe. The front month contract has traded mostly above \$70 a barrel since clearing that level on Friday for the first time since late January. Whereas, May West Texas Intermediate crude shed 30 cents, or 0.5%, to settle at \$65.25 a barrel on the New York Mercantile Exchange.
- Analysts polled by S&P Global Platts expect the EIA to report a rise of 1 million barrels in domestic crude supplies for the week ended March 23. They also forecast supply declines of 2 million for gasoline and 1.9 million for distillates. The EIA has already reported crude stock gains in three of the last four weeks.
- Economists said the dips came after the American Petroleum Institute (API) yesterday reported a surprise 5.3 million barrels rise in crude stocks in the week to March 23, to 430.6 million barrels. For the moment it is looking like both WTI and Brent are stalling.
- Crude oil has recovered near January highs after President Trump last week appointed John Bolton as his national security advisor, signaling the U.S may pursue a more hard-line approach against Iran and disrupt outflows from the OPEC member.
- Global stockpiles are tightening in a sign that the Organization of Petroleum Exporting Countries' production cuts are working, fears still remain that surging U.S production could thwart those efforts. European stocks rallied, tracking gains across Asia as investors began to recalibrate the chances of an all-out trade war.

### 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 tried to rally during the trading session yesterday but broke down significantly towards the \$16.50 level. At this point, the market looks likely to continue to find buyers though, and eventually it will be time to start picking up silver in little bits and pieces again. I like the idea of buying silver for the longer-term, but I also recognize that it is a very volatile market and it is probably best to trade this market with as little leverage as possible. Because of this, the CFD market might be the best way to trade the market, just as buying physical silver will be. Market players saw that the \$16 level below is the beginning of massive support that extends down to at least the \$15 level, so I think that the only way you can trade this market is to the upside. If market can break above the \$17 level, the market is likely to continue to go to the \$17.50 level, perhaps even the \$18.50 level.

Pivot:	16.52		
Support	16.41	16.34	16.20
Resistance	16.63	16.75	16.80

Source: FX EMPIRE

### Highlights

- Silver was up 0.2 percent at \$16.51 per ounce after hitting a three-week high of \$16.80 in the previous session.
- Silver ratio is at 80.80, which is considered to be a rare high.
- Silver has been struggling to find a bid, whereas there are still a few risks out there that could put a pause on the silver rally.
- Silver can benefit, if gold manages to break above its resistance at \$1375 an ounce.
- Spot silver was at \$16.51 and May Comex silver was last trading at \$16.53, down on the day.

### 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



# Commodity News

Wednesday, March 28, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Mar 28	11:00	EUR German GfK Consumer Confidence (APR)	Medium	10.9	10.7	10.8
Wed Mar 28	17:30	USD Gross Domestic Product Annualized (QoQ) (4Q T)	High		2.7%	2.5%
Wed Mar 28	17:30	USD Wholesale Inventories (MoM) (FEB P)	Medium		0.5%	0.8%
Wed Mar 28	17:30	USD Advance Goods Trade Balance (FEB)	High		-\$74.2b	-\$74.4b
Wed Mar 28	17:30	USD Personal Consumption (4Q T)	Medium		3.8%	3.8%
Wed Mar 28	16:00	USD MBA Mortgage Applications (MAR 23)	Medium			-1.1%
Wed Mar 28	17:30	USD Core PCE (QoQ) (4Q T)	Medium		1.9%	1.9%
Wed Mar 28	19:00	USD Pending Home Sales (YoY) (FEB)	Medium			-1.7%
Wed Mar 28	19:30	USD DOE Cushing OK Crude Inventory (MAR 23)	Low			905k

Source: Forex Factory, DailyFX

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