

Gold

Technical

Gold markets broke down rather significantly during trading yesterday, slicing below the \$1330 level. By doing so, market is reaching towards the massive support level underneath that should continue to find buyers, but at this point it wouldn't be jump in right away. Perhaps a bit of a bounce could get the market moving, and market players see that the \$1325 level will probably be the beginning of buying. If it break down below there, the next support level is close to the \$1300 level, which of course is a large, round, psychologically significant number, and an area that we have seen support at in the past. Pay attention to the US dollar, it has a significant effect on what goes on the gold market as well, as it does tend to move in the exact opposite way. Currently, looks like short-term traders are going to continue to push towards the \$1325 level.

Pivot:	1,327		
Support	1,319	1,314	1,307
Resistance	1,337	1,342	1,347

Source: FX EMPIRE

Highlights

- Gold is set to close the first quarter up 2 percent.
- Gold logs biggest loss in over a month to end at 1 week low
- Gold prices dropped as strength in the dollar fueled the biggest single-session decline since Feb. 20
- While an appreciating dollar could result in further pain for gold in the short term, the yellow metal remains supported by increasing stock market volatility
- Analysts expecting the floor in gold to hold up given its haven status

Gold - Technical Indicators

RSI 14	33.74
SMA 20	1,263.6
SMA 50	1,291.6
SMA 100	1,287.1
SMA 200	1,300.1

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold fell more than one percent yesterday as a dollar bounce on U.S growth data pulled prices further from the previous day's near six-week peak, although softer equities markets kept bullion underpinned.
- Spot gold lost 1.4 percent at \$1,325.66 per ounce, while U.S April gold futures settled down \$17.80, or 1.3 percent, at \$1,324.20 an ounce. The U.S dollar rose 0.4 percent against the euro after data showing U.S economic growth slowed less than previously estimated in the fourth quarter.
- Despite the fact that the equity markets are near a cliff, we have not seen much interest amidst retail investors for gold and the strength of the dollar index is also weighing on the price.
- Bullion has traded in a tight range between \$1,300 and \$1,360 this year. Yesterday's action failed again at \$1,360 and without a recovery early in the day, some speculators are trading the range and taking some profits.
- Stocks softened as persistent jitters about a U.S China trade war and the prospect of a regulatory crackdown on companies such as Facebook left investors facing their first quarterly drop in stocks in two years.
- The dollar and percentage decline was also largest since Feb. 20. The moves follow a close on Monday \$1,355 an ounce, the highest finish since Feb. 16, according to FactSet data. Gold and the dollar typically move inversely, as moves in the U.S. unit can influence the attractiveness of commodities to holders of other currencies.
- Prices for precious metals had found support over recent sessions as the dollar declined and as financial markets kept close tabs on the ebb and flow of trade tensions between the U.S. and China, concerns that had sent gold's price up some 3% before the latest pullback.

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 broken down significantly over the last couple of days, and it seems that we are in the midst of a correction that should continue to find buyers underneath given enough time. Economists recognize that there is a massive uptrend line underneath it will also keep the market afloat, so it's only a matter of time before the buyers get involved. So far, this pullback should end up being a simple correction, and might be market participants see this as such. Moreover Brent market broke down during the day as well, as \$70 offered a bit of resistance. The \$69 level offered a little bit of support, but in the end we are going to find buyers underneath regardless. The short-term outlook for this market is certainly positive, just as the Russians agreed to stick with the OPEC deal, that should give us an opportunity to see buyers jumping into this market.

Pivot:	64.69		
Support	64.10	63.70	63.30
Resistance	65.11	65.58	65.95

Source: FX EMPIRE

Highlights

- Oil prices failing at a brief attempt to turn higher in the wake of the latest weekly U.S report.
- U.S crude inventories edged a bit higher last week and production rose, while stockpiles of both gasoline and distillates declined a bit.
- The EIA has now reported crude stock gains in four of the last five weeks
- Gasoline stockpiles fell by 3.5 million barrels for the week, while distillate stockpiles decreased by 2.1 million barrels
- The third sequential drawdown in refined product levels indicates a net draw across total products.

Crude - Technical Indicators

RSI 14	31.91
SMA 20	48.72
SMA 50	48.27
SMA 100	51.11
SMA 200	56.32

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell about 1 percent on Wednesday after data showed U.S. crude inventories unexpectedly rose 1.6 million barrels last week, weighing on market sentiment.
- Hydrogen sulfide (H2S) occurs naturally in crude and natural gas, but oil producers typically decontaminate such products before delivery to buyers. High levels of H2S can corrode refinery parts and pipelines - and can be lethal to humans in gas form.
- Authorities in all major consuming countries keep oil in reserve to ensure that they do not run out of crude to refine into fuels if a natural disaster or war disrupts global supplies.
- Three firms that bought crude oil last year from U.S emergency stockpiles raised concerns about dangerous levels of a poisonous chemical in the cargoes. Problems with crude quality would make the U.S. Strategic Petroleum Reserve (SPR) less useful in an emergency because refiners would need to spend time and money removing contamination before producing fuel.
- Brent June crude futures LCOc2 settled 70 cents lower at \$68.76 per barrel, while West Texas Intermediate crude CLc1 futures for May delivery fell 87 cents to \$64.38 a barrel, a 1.3-percent loss.
- Oil supplies at Cushing, Oklahoma are starting to replenish, which is bearish for prices, but they have a long way to go to near normal levels of supply. U.S crude production also inched up last week to fresh record high at 10.433 million bpd. Output has risen by nearly 25 percent in the last two years.
- Brent prices have risen in seven out of the last nine months and have increased by more than 4 percent so far this year. average breakeven prices to drill a new well in the U.S. range from \$47 to \$55 per barrel depending on the region.

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 broke down significantly during the trading session yesterday, reaching down to the \$16.05 handle. There is support underneath as well, extending down to the \$16 level. If it get some type of bounce from here, the market could go even higher. Ultimately, the market should then continue to be bullish overall, but it might going to take a while to get that bullish pressure into the market, but it suspect that it is going to be a very noisy market indeed. That's normal for silver though, so that the short-term pullbacks offer nice buying opportunities to pick up value from. Ultimately, that value should give us an opportunity to take advantage of what has been a reasonably range bound market, with the \$16 level be in the beginning of a massive floor in the market. Economists believe that the \$17 level above is resistance, so break above there would in fact be a very strong sign.

Pivot:	16.31		
Support	16.20	16.09	16.00
Resistance	16.42	16.55	16.63

Source: FX EMPIRE

Highlights

- Silver lost 1.4 percent at \$16.26 an ounce, seeing a one-week low of \$16.24.
- Precious metal's prices is firmly to the upside, it could be a good time to invest.
- Platinum dropped 1 percent at \$934 an ounce, after touching \$930.50, its lowest since Jan. 2.
- Silver bulls' next upside price breakout objective is closing prices above solid technical resistance at \$17.00 an ounce
- A rebound in the U.S dollar index at mid-week and an uptick in investor risk appetite today had the sellers of the metals in control.

Silver - Technical Indicators

RSI 14	37.92
SMA 20	16.60
SMA 50	17.09
SMA 100	17.05
SMA 200	16.83

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver stands to benefit greatly from any escalation in trade war fears, as an increase in tensions will lead to investors selling riskier assets and buying safe-haven options, said Capital Economics' commodities economist Simona Gambarini.
- Silver prices were solidly lower in midday U.S. trading Wednesday. A rebound in the U.S. dollar index at mid-week and an uptick in investor risk appetite today had the sellers of the metals in control.
- Economists suspect that there is a sizeable risk premium currently embedded into silver prices and this could rise further over the next few weeks should fears of a trade war flare up again or relations between the US and Iran or the UK and Russia deteriorate.
- The Dollar could continue to make headway against emerging market currencies, while simultaneously weakening against its developed market counterparts. In this event, we can expect investors to rotate out of risky assets and into safe havens.
- Overall, our end-2018 forecast for the price of gold is \$1,270 per ounce, down from about \$1,332 today. That said, in the short term we think that as long as the uncertainty remains over a potential trade war, the balance of risks is firmly to the upside.
- The global economic impact of the tariffs announced by the Trump administration will be small in our view, even if they are implemented in full, which appears unlikely. We also expect that any retaliation will be moderate. But the implications for financial markets, including silver, could be much bigger.
- There are mounting technical clues the U.S stock indexes have put in major tops. Such would be a longer-term bullish development for silver markets, which are a competing asset class with equities.

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, March 29, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thur Mar 29	12:30	USD PCE Core (YoY) (FEB)	High		1.6%	1.5%
Thur Mar 29	12:30	USD PCE Deflator (YoY) (FEB)	Low		1.7%	1.7%
Thur Mar 29	12:30	USD PCE Deflator (MoM) (FEB)	Low		0.2%	0.4%
Thur Mar 29	12:30	USD Real Personal Spending (FEB)	Medium		0.1%	-0.1%
Thur Mar 29	12:30	USD Personal Income (FEB)	Medium		0.4%	0.4%
Thur Mar 29	12:30	USD Initial Jobless Claims (MAR 24)	Medium		230k	229k
Thur Mar 29	12:30	USD Continuing Claims (MAR 17)	Medium		1865k	1828k
Thur Mar 29	14:30	USD EIA Working Natural Gas Implied Flow (MAR 23)	Low			-86
Thur Mar 29	13:45	USD Chicago Purchasing Manager (MAR)	Medium		62	61.9

Source: Forex Factory, DailyFX

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