

Gold

Technical

Gold futures are trading higher today shortly before the regular session opening. The market is being supported by political turmoil in the United States. Weakening U.S. economic data is also reducing the chances of a Fed rate hike. This is driving down Treasury yields, putting pressure on the U.S. Dollar. This is helping to increase foreign demand for dollar-denominated gold. The main trend is down according to the daily swing chart. However, momentum turned up with the formation of a weekly closing price reversal bottom last week and its subsequent confirmation this week. The main range is \$1297.40 to \$1214.30. Its retracement zone at \$1255.90 to \$1265.70 is currently being tested. Gold is trading on the strong side of the 50% level at \$1255.90, shifting momentum to the upside. Today's resistance is \$1265.70, followed by \$1297.40.

Pivot:	1,256		
Support	1,252	1,247	1,241
Resistance	1,263	1,268	1,272

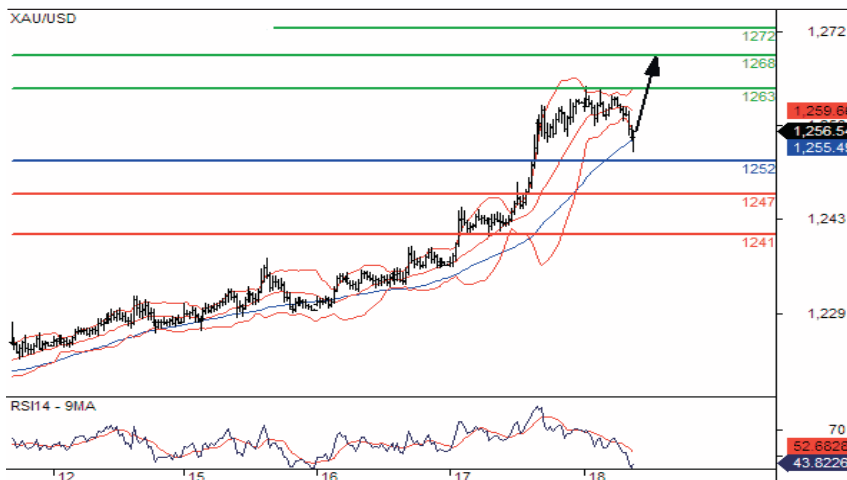
Highlights

- Gold futures rallied yesterday, with fresh U.S. political worries lifting prices to their highest settlement of the month
- New York Times report said President Donald Trump tried to influence an FBI probe into links between his inner circle and Russia
- Gold for June delivery gained \$22.30, or 1.8%, to settle at \$1,258.70 an ounce
- Prices tallied a sixth straight session climb, their longest since early August
- Dollar Index fell 0.6%, wiping out its entire bump in the wake of Trump's election

Gold - Technical Indicators

RSI 14	65.71
SMA 20	1,323.2
SMA 50	1,291.3
SMA 100	1,234.5
SMA 200	1,235.8

Gold Daily Graph



Fundamentals

- Gold prices weakened after touching a more than two-week high in today's trading session, weighed down by profit-taking amid political turmoil in the United States.
- The yellow metal rose about 2 percent on Wednesday in its biggest one-day percentage gain since June last year, as pressure on U.S. President Donald Trump deepened following reports that he tried to interfere with a federal investigation.
- That came after a turbulent week when Trump fired FBI Director James Comey and discussed sensitive national security information with Russia's foreign minister, causing investors to question whether Trump can push through tax cuts and deregulation.
- We are seeing some squaring off probably from Asian traders and perhaps just a bit correction from the moves overnight. I would caution that the gold rally has been driven by political news and not necessarily fundamentals. Should the political storm die in Washington, the rally will lose steam.
- Spot gold was down 0.2 percent at \$1,258.02 per ounce after earlier touching its strongest since May 1 at \$1,263.02. The yellow metal settled higher in the five previous sessions.
- U.S gold futures were nearly flat at \$1,258.40 an ounce. Asia saw mixed interest today as profit taking battled against underlying interest. We are likely to see profit taking weigh upon the metal over the short term, however the current political climate in the U.S. should see underlying interest continue to support the metal around \$1,250.
- Gold is used as an alternative investment during times of political and financial uncertainty. Spot gold may retrace moderately to a support at \$1,252 per ounce, before retesting a resistance at \$1,264.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market rose during the session on Wednesday, as the oil inventory number was bullish. We reached towards the \$49 level and broke above during the trading day, but we continue to see resistance in that general vicinity. If we can break out to a fresh, new high, I believe at that point we will probably go to the \$50 level which will be even more resistive. Currently, I believe that the market will probably consolidate, and that doesn't instill a lot of confidence to start hanging on to the market for longer-term moves. With that being the case, I believe that range bound trading between the \$49.50 level and the \$48 level is probably the best way to approach this market over the next several sessions, at least until we can get some type of traction in one direction or the other. Crude oil prices have recaptured the neckline of the head and shoulder reversal pattern.

Pivot:	48.99		
Support	48.75	48.47	48.05
Resistance	49.50	50.00	50.40

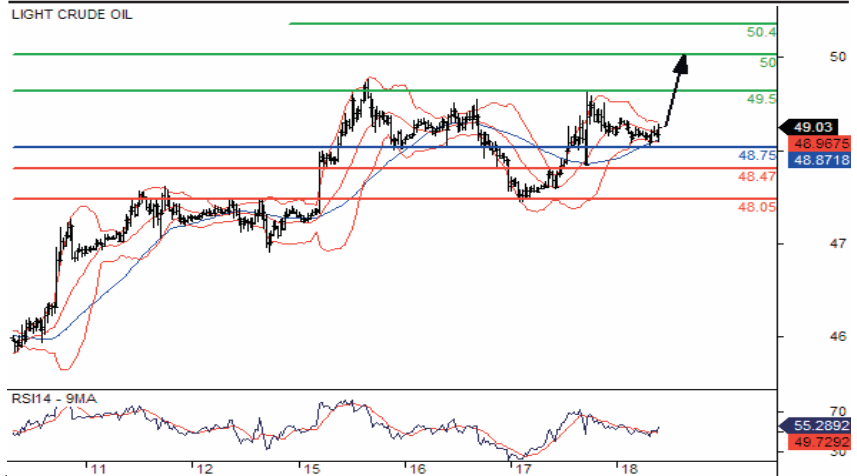
Highlights

- Oil is getting ensnared in the turmoil surrounding Trump even as U.S crude production, declined for the first time in 13 weeks
- Futures decreased as much as 2.1 percent in New York, as investors across financial markets fled risky assets
- Trump faces the biggest crisis of his presidency over a series of damaging revelations
- U.S data showed stockpiles last week fell for a sixth straight week
- Investors across markets have been rattled by the political uncertainty

Crude - Technical Indicators

RSI 14	46.23
SMA 20	45.56
SMA 50	47.63
SMA 100	48.76
SMA 200	50.11

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell today on signs that the market remained well supplied with crude despite efforts by OPEC and other big exporters to curb production and support prices.
- Signs of a deepening political crisis in Washington accelerated the decline in prices with investors becoming increasingly cautious following the latest reports of links between Russia and team in the White House.
- U.S crude oil was 84 cents a barrel lower at \$48.23. News that the campaign to elect President Donald Trump last year had at least 18 undisclosed contacts with Russians had unsettled investors. Sentiment is fragile so it does not take much to rock the boat even further.
- Crude oil rose in yesterday's session after news of a drawdown in U.S. crude inventories and a dip in U.S. output. The U.S. Energy Information Administration said inventories fell 1.8 million barrels in the week to May 12 to 520.8 million barrels. But the U.S. crude drawdown was smaller than expected and the oil market remained extremely well supplied.
- A surplus of U.S. supply has led to large volumes of crude being exported from the United States to northern Asia, undermining the OPEC-led efforts to tighten the market.
- The Organization of the Petroleum Exporting Countries and other producers including Russia pledged to cut output by almost 1.8 million barrels per day (bpd) in the first half of 2016, a deal likely to be extended until the end of March 2018.
- Other producers have been quick to fill any supply gaps. OPEC ministers meet in Vienna on May 25 to decide production policy for the next six months and are expected to prolong their agreement to limit production, perhaps by up to nine months.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets had a very strong move during the day on Wednesday, as we initially shut higher, pulled back to the open at the day, and then slammed into the \$17 level. We found a bit of resistance there, which of course is a large, round, psychologically significant number, and perhaps the market got a bit ahead of itself. A lot of this move would have been due to the panic over President Trump and the Russian speaking, and whatever is going on behind the scenes there. Ultimately, that has nothing to do with the Silver markets, and I believe this automatic reaction will probably fade out. That being said, a break above to a fresh, new high, of course is a bullish sign. I think the market needs to pull back to find some type of support below. Ultimately, I believe that the Silver markets will follow what happens in the gold markets and they of course look very bullish.

Pivot:	16.69		
Support	16.58	16.48	15.38
Resistance	16.92	17.03	17.14

Highlights

- Silver was down 0.4 percent at \$16.79 an ounce in today's trading session
- Uncertainty over the outlook for Donald Trump's presidency rattled markets
- U.S President Trump had tried to intervene in an investigation into alleged Russian interference in last year's U.S. election
- The Dollar steadied but wallowed near six-month lows against a basket of its peers, struggling to recover from its worst losses in almost a year
- Risk aversion has also risen noticeably in today's Asian session

Silver - Technical Indicators

RSI 14	56.32
SMA 20	19.22
SMA 50	18.34
SMA 100	17.49
SMA 200	17.54

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver notched gains in yesterday's trading session, extending its rally for a fifth straight session on the heels of a technical correction and sliding U.S. dollar.
- July silver futures advanced 16 cents, or 0.9%, to \$16.91 a troy ounce. That was the contract's highest print this month. Overnight, prices fluctuated between \$16.82 and \$16.94.
- The grey metal has added 5% over its winning streak, reflecting a broad correction from the May 9 swing low below \$16.00 a troy ounce. Precious metals are rallying across the board, with gold poised for its sixth consecutive gain.
- The gold/silver ratio continues to drift in the latter's favor. As of Tuesday's close, one ounce of gold was worth 73.98 ounces of silver. Just a week earlier, that ratio was nearing 76.00 ounces.
- Political turmoil surrounding the Trump administration has rocked the U.S. dollar this week, with the currency falling to its lowest level since early November. This has enabled the euro and British pound to string together impressive gains.
- The dollar index was down 0.1% at 97.99 Wednesday morning, having declined nearly 2% this week. On the economic calendar, the Eurozone's annual inflation rate was confirmed at 1.9% in April, matching forecasts.
- U.K employers added, workers to payrolls last month, with average hourly earnings climbing 2.4% annually in the three months ended March. All U.K. data were courtesy of the Office for National Statistics. There were no major events scheduled in North America on Wednesday. Market participants will turn their attention to speeches from the Federal Reserve and European Central Bank in the latter half of the week.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Thursday, May 18, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu May 18	04:50	JPY Gross Domestic Product Annualized (1Q)	High	2.2%	1.7%	1.4%
Thu May 18	06:30	AUD Employment Change (APR)	High	37.4k	5.0k	60.0k
Thu May 18	06:30	AUD Unemployment Rate (APR)	High	5.7%	5.9%	5.9%
Thu May 18	13:30	GBP Retail Sales (YoY) (APR)	Medium	4.5%	2.6%	2.8%
Thu May 18	13:30	GBP Retail Sales Inc Auto Fuel (YoY) (APR)	Medium	4.0%	2.2%	2.0%
Thu May 18	17:30	USD Initial Jobless Claims (MAY 13)	Medium	232k	240k	236k
Thu May 18	17:30	USD Continuing Claims (MAY 06)	Medium	1898k	1950k	1920k
Thu May 18	17:30	USD Philadelphia Fed. (MAY)	Medium	38.8	18.5	22
Thu May 18	19:00	USD Leading Indicators (APR)	Medium		0.4%	0.4%

Source: Forex Factory, DailyFX

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