

Gold

Technical

Gold markets initially rallied on Tuesday but then turned around again as we continue to find quite a bit of volatility and of course negative pressure in the gold markets as the US dollar has been strengthening. The \$1200 level below should continue to offer support, as it has in the past. If we can break down below there, gold should continue to go much lower. If we can break down below there I suspect that we will then reach towards the \$1100 below. Any bounce from here will more than likely just offer selling opportunities again in the short-term. Momentum remains negative as the MACD (moving average convergence divergence) index prints in the red with a downward sloping trajectory which points to lower prices. Gold prices remain oversold as the relative strength index (RSI) prints a reading of 29, which is below the oversold trigger level of 30.

Pivot:	1,210		
Support	1,205	1,200	1,190
Resistance	1,219	1,223	1,230

Highlights

- Spot gold looks neutral in a range of \$1,204-\$1,222 per ounce, and an escape could indicate a direction
- Expectations leading into the Thanksgiving holiday on Thursday are that gold will continue to trade heavily but rangebound
- Investors have been cutting holdings in bullion-backed funds
- A halt in the dollar's rally will buoy demand for the precious metal
- The metal slumped in the past two weeks as Trump's pledge to boost infrastructure spending

Gold - Technical Indicators

RSI 14	25.62
SMA 20	1,261.96
SMA 50	1,274.70
SMA 100	1,303.14
SMA 200	1,288.88

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold stuck to a narrow range in Asian trade today ahead of release of minutes from the Federal Reserve policy meeting earlier this month amid expectations of an interest rate hike in December.
- Bullish homes sales data has added to signs of an improved U.S. economic outlook, with federal funds futures implying traders are pricing in a 100 pct chance of a December rate rise, according to the CME Group's FedWatch Tool.
- Spot gold was unchanged at \$1,212.45 an ounce. In the previous session, the metal eased 0.15 percent, hurt by strong equities. U.S. gold futures rose 0.1 percent to \$1,212.40 per ounce. Analysts cautioned that higher interest rates and a more positive sentiment in equity markets could weigh further on gold prices.
- Gold is highly sensitive to rising rates, which lift the opportunity cost of holding non-yielding assets such as bullion, while boosting the dollar, in which it is priced. The risk-on sentiment continues to prevail in the market and gold prices will not be able to perform.
- People would want to participate in the equity rally. The gold ETFs continue to decline and investors are trying to reduce their exposure to gold. SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, said its holdings fell 0.42 percent to 904.91 tonnes on Tuesday. Holdings have dropped 4 percent so far this month.
- While Trump's U.S. presidential victory has spurred safe-haven buying of physical gold in Europe, traditional bullion holders in the United States are standing pat.
- It seems that there is little on the horizon that could materially change the bearish trifecta comprising of a stronger dollar, higher U.S. rates and U.S. 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	
5/10/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
5/17/2016	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
5/24/2016	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
5/31/2016	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
6/07/2016	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 on Tuesday but found the \$49 level above the be too resistive. Because of this, the market turn right back around and form a negative candle. If we can break down below the bottom of the candle, I feel that the market will probably continue to grind lower, perhaps trying to fill the gap that started the week. If we can break below there, then the market will more than likely reach towards the \$43 handle. Alternately, if we can break above the \$50 level I feel that the market would be very bullish, and of course that could be very good sign for the buyers. However, I feel that the oversupply should continue and with the Crude Oil Inventories announcement coming out will also give fuel to the next move in this market today. Support is seen near the 10-day moving average at 46.08, while resistance is seen near the 52.20 level.

Pivot:	48.05		
Support	47.15	46.38	45.80
Resistance	48.50	49.22	49.79

Highlights

- Oil ended little changed yesterday in volatile trade that saw rise and fall of \$1 a barrel
- Officials at the Organization of the Petroleum Exporting Countries (OPEC) meeting tried to hammer
- 14-member cartel would defer a decision on a deal until the Nov. 30 meeting due to the opposition of Iran and Iraq
- OPEC is trying to bring its members and non-OPEC producer Russia to agree
- Crude oil inventories were forecast to have risen for a fourth consecutive week

Crude - Technical Indicators

RSI 14	45.20
SMA 20	45.52
SMA 50	47.64
SMA 100	46.10
SMA 200	45.86

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices edged higher today but gains were capped by investors' doubts that oil cartel OPEC would agree to a large enough production cut to significantly reduce the global surplus when it meets next week.
- A strong dollar, trading near the 13 1/2-year peak hit last week, also weighed on prices amid thin trading ahead of the U.S. Thanksgiving holiday on Thursday. U.S. West Texas Intermediate (WTI) crude oil futures rose 12 cents to \$48.15 a barrel after rising to \$48.30 earlier on Wednesday.
- Yesterday the price action showed that it closed to unchanged. It's uncertain whether OPEC can do a deal. The market is divided in its opinion, that's why the market is not moving much.
- Many traders anticipate some agreement at OPEC but fear the aim, proposed by Algeria, of cutting production by 4 to 4.5 percent, or over 1.2 million barrels per day according to Reuters calculations.
- The deal's success hinges on an agreement from Iraq and Iran, which may not give a full backing, three OPEC sources said Tuesday. In September, OPEC agreed to bring total output down to the level of 32.5-33.0 million barrels a day.
- Short-term though, analysts said that investors were currently unwilling to push crude prices to \$50 a barrel or higher. Later today in U.S trading session, investors will eye on U.S. government data on crude and refined product stockpiles. U.S crude inventories are expected to rise by 700,000 barrels, according to the latest Reuters poll, while distillates will fall and gasoline will rise.
- Officials at the Organization of the Petroleum Exporting Countries (OPEC) meeting tried to hammer out the details of an agreement to cut output before a formal meeting on Nov. 30. We do not have a clear path to a decision on Nov. 30 and that is what the market was looking for.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
5/17/2016	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
5/24/2016	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
5/31/2016	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
6/07/2016	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

The silver market turned around to form a shooting star. I think that every time this market rallies, you have to think that it's only a matter of time before sellers come back in. With this, I feel that the market will probably reach down towards the \$16 level. If we can break above the \$17 level, that could be bullish but at this point I don't see it happening. Silver markets continue to suffer at the hands of the strengthening Dollar, and probably will continue to be that way for some time. It's a holiday week in the U.S., with Thanksgiving on Thursday and many market participants making a short week of it. Keep in mind liquidity can be lacking in this type of environment, can lead to sharp, nonsensical moves. There are a couple of high impact data events today; US Durable Goods Orders and more importantly the FOMC minutes from the November 1-2 meeting.

Pivot:	16.63		
Support	16.49	16.10	15.80
Resistance	16.90	17.08	17.24

Highlights

- The consolidation tone continued yesterday with markets testing whether dollar strength could be extended
- Silver prices tested range limits without being able to make a break in either direction
- Silver prices moved higher in US trading but there was resistance on approach to the \$17.00 per ounce level
- The US existing home sales data was stronger than expected for October
- Strong reading for durable goods orders today could trigger fresh support for dollar

Silver - Technical Indicators

RSI 14	30.06
SMA 20	17.78
SMA 50	18.01
SMA 100	18.74
SMA 200	18.05

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices rose to one-week highs yesterday, as commodities extended their rally while the US dollar pulled back from its longest winning streak in over three years.
- Silver futures climbed 26 cents, or 1.6%, to \$16.89 a troy ounce, snapping a four-day losing streak. The grey metal traded within a daily range of \$16.68 and \$16.99. Position adjustment will also be notably important ahead of the US Thanksgiving Holiday on Thursday, which could lead to choppy trading conditions with consolidation the most likely outcome.
- The US dollar was on track for its second consecutive decline, allowing precious metals to recover some of their post-election losses. The dollar index edged down 0.1% to 100.96 Tuesday morning.
- In yesterday's session in the dollar usually helps precious metals and other commodities priced in the currency. The greenback spiked to nearly 14-year highs last week after President-elect Donald Trump pledged to cut US taxes, deregulate the financial markets and boost infrastructure spending by as much as \$1 trillion.
- After initial hesitation, Trump's election victory also sent US stocks soaring to record highs, as risk sentiment faded. According to analysts, investors are now bargain hunting for gold and silver ahead of next month's Federal Open Market Committee (FOMC) policy meeting. The markets are more than 95% certain the Fed will raise rates next month, according to the CME Group's 30-day Fed Fund futures prices.
- The minutes of the November FOMC meeting will be released later today. In terms of economic data, the National Association of Realtors (NAR) will release the October edition of its existing home sales report later in the day. Reports on durable goods orders and new home sales will be released on Wednesday.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
5/17/2016	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
5/24/2016	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
5/31/2016	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
6/07/2016	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Nov 23	14:00	EUR Markit Eurozone Manufacturing PMI (NOV)	Medium		53.3	53.5
Wed Nov 23	17:00	USD MBA Mortgage Applications (NOV 18)	Medium			
Wed Nov 23	17:30	GBP U.K. Autumn Budget Statement	High			
Wed Nov 23	18:30	USD Durable Goods Orders (OCT)	High		1.7%	-0.3%
Wed Nov 23	18:30	USD Initial Jobless Claims (NOV 19)	Medium		250K	235K
Wed Nov 23	19:00	USD House Price Index (MoM) (SEP)	Medium			0.7%
Wed Nov 23	20:00	USD New Home Sales (MoM) (OCT)	Medium		-0.5%	3.1%
Wed Nov 23	20:00	USD U. of Michigan Confidence (NOV)	Medium			91.6
Wed Nov 23	20:30	USD DOE U.S. Crude Oil Inventories (NOV 18)	Medium			

Source: Forex Factory, DailyFX

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