

## Gold

### Technical

Gold prices were steady on Thursday hovering near support near the October low at 1,241. Resistance on the yellow metal is seen near the 10-day moving average at 1,269. As yields moved lower in the U.S. on Thursday, the dollar eased allowing gold prices to stabilize. Thursday's stronger than expected inflation report in the U.S. failed to lift prices. The RSI (relative strength index) is printing a reading of 25, below the oversold trigger level which could foreshadow a correction. U.S. September import prices rose 0.1% with export prices up 0.3%, stronger than forecast. Neither the 0.2% decline in August import prices, nor the 0.8% decline in export prices were revised. Petroleum prices bounced 1.2% following declines of 3.0% in August and 3.1% in July. Excluding petroleum, import prices were unchanged, as was the case in August.

Pivot:	1,255		
Support	1,250	1,241	1,235
Resistance	1,269	1,277	1,287

### Highlights

- Gold prices climbed in yesterday's session, helped by weak trade data from China that spurred haven buying
- Gold for December delivery settled up 0.3% at \$1,257.60 a troy ounce
- The precious metal took some support from minutes from the September meeting of the U.S. Federal Reserve
- Gold sold off last week after strong U.S data and hawkish Fed commentary
- Yesterday's weaker-than-expected trade data from China also supported gold

### Gold - Technical Indicators

RSI 14	20.47
SMA 20	1,310.07
SMA 50	1,323.72
SMA 100	1,325.99
SMA 200	1,284.98

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices edged lower today in Asian session as stocks firmed and the U.S. dollar rose on expectations the Federal Reserve would raise interest rates by the end of the year.
- Spot gold was down 0.1 percent at \$1,256.50 an ounce. The metal was on track to end the week mostly flat. U.S. gold futures were steady at \$1,257.90 an ounce.
- People are happy to buy at these levels. But, there are a lot of expectations of a Fed rate hike in December, which will be bearish for gold. There will also be some uncertainty going into the elections. If Democratic presidential candidate Hillary Clinton wins over Republican Donald Trump then the dollar could strengthen and pull gold down.
- Gold looks a bit weaker on charts. We need to see if prices can hold at \$1,240 levels then we would be heading towards \$1,260 and later to \$1,275. Spot gold may consolidate further in a narrow range of \$1,250-\$1,266 per ounce for one day before falling to the Oct. 7 low of \$1,241.20.
- Markets will next look to today's U.S retail sales data and remarks from Fed Chair Janet Yellen, who will address a Boston Fed economics conference at which Boston Fed governor Eric Rosengren will speak.
- We think its Federal Reserve's rate hiking trajectory will remain very much intact. As a result, the dollar will likely push higher going into year-end, offering gold its most formidable headwind and even countering the impact of weaker equities.
- The dollar index, which measures the greenback against a basket of six major currencies, gained 0.1 percent to 97.612. Holdings of the SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.28 percent to 961.57 tonnes yesterday

### 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

WTI crude oil prices moved higher on Thursday following a report from the Department of Energy that showed a mixed number. While the draw in distillates were stronger than expected, the crude oil increase was larger than expectations. Support is seen near the 20-day moving average at 47.58, while resistance is seen near the October highs at 51.65. Crude oil inventories grew more than expected. According to the EIA, U.S. commercial crude oil inventories increased by 4.9 million barrels from the previous week. Gasoline inventories decreased by 1.9 million barrels last week, while distillate fuel inventories decreased by 3.7 million barrels last week. Total commercial petroleum inventories decreased by 5.1 million barrels last week. On the demand front total products demand over the last four-week period averaged 20.0 million barrels per day, up by 2.4% from the same period last year.

Pivot:	50.96		
Support	50.36	50.00	49.60
Resistance	51.60	51.86	52.20

### Highlights

- Oil futures settled higher in the wake of the first weekly rise in crude supplies since the end of August
- Oil had already posted declines in the past two sessions after recent data showed an increase in monthly production from OPEC
- West Texas Intermediate crude rose 26 cents, or 0.5%, to settle at \$50.44 a barrel
- The U.S EIA reported that domestic crude supplies rose by 4.9 million barrels
- OPEC's own monthly report put production at 33.39 million bpd in September

### Crude - Technical Indicators

RSI 14	69.08
SMA 20	46.54
SMA 50	46.22
SMA 100	45.91
SMA 200	43.50

### Crude Oil Daily Graph



### Fundamentals

- Oil climbed further above \$52 a barrel today in Asian session, supported by a drop in U.S. fuel inventories, though gains were kept in check by ample crude supplies even as OPEC plans to cut output.
- Crude reached a 2016 high on Monday, underpinned by OPEC's Sept. 28 deal to reduce oil production, before weakening on rising U.S crude stocks and as the Organization of the Petroleum Exporting Countries' own numbers showed output is still rising.
- It would appear that the bulls on the oil market do not give up so quickly. Despite an unexpectedly sharp rise in U.S crude oil stocks, oil prices are making significant gains.
- U.S crude inventories overall rose by 4.9 million barrels, the first increase in six weeks, the government's Energy Information Administration reported yesterday. But stocks at the Cushing delivery hub for U.S. crude futures declined and U.S. inventories of distillates, which include diesel and heating oil, fell by 3.7 million barrels. Gasoline stocks dropped by 1.9 million barrels.
- The end result was slightly positive. The rise in crude stocks was "more than offset" by lower fuel inventories. U.S. crude's structure gained support from the extended outage of a pipeline capable of delivering 450,000 barrels per day of crude into Cushing.
- OPEC's plan is to cut its supply to between 32.5 million barrels per day (bpd) and 33 million bpd to help to balance supply and demand and revive prices that remain less than half of the levels reached in mid-2014.
- However, a lack of much detail in the initial agreement, such as how much each of the 14 members can pump and the scale of any contributions from non-OPEC countries such as Russia, has left analysts skeptical.

### 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

Silver markets initially tried to rally during the day on Thursday but turned right back around to form a bit of a shooting star. With this, it looks as if we are going to continue to drift a little bit lower as we are going back and forth in consolidation. I believe that the \$17 level below is massively supportive, just as the \$18 level above is massively resistive. At this point in time, it's not until we break either above the \$18 level or below the \$17 level that I'm willing to place a trade in this market, as I think it's going to be difficult in the short-term. A break lower will bring the prior low at 17.12 into play, and a drop below there will put silver into an air pocket with no visible price support until around the 16 line. If a top-side break unfolds, silver will face resistance again in the 17.80s but could run a bit higher into the 18s before the previously mentioned confluence of resistance is hurdled.

Pivot:	17.46		
Support	17.33	17.05	16.70
Resistance	17.83	18.00	18.20

### Highlights

- The Dollar corrected weaker following the Fed minutes, silver was unable to take any significant advantage and drifted lower
- Silver prices rallied after the minutes before hitting resistance on approach to \$17.70
- Risk appetite was generally weaker following the latest Chinese trade data
- The US jobless claims data was again stronger than expected
- The US retail sales data will be important today following two generally disappointing results for the previous two months

### Silver - Technical Indicators

RSI 14	24.68
SMA 20	18.92
SMA 50	19.11
SMA 100	19.18
SMA 200	17.63

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver prices posted modest gains in yesterday's trading session, rising in lockstep with other precious metals as the US dollar pulled back from recent highs.
- December silver futures climbed 8 cents, or 0.5%, to \$17.59 a troy ounce. The metal traded within a narrow daily range of \$17.50 and \$17.71. Silver is likely to face immediate resistance in the 17.80 region followed by a major hurdle around the \$18 region.
- The grey metal has yet to emerge from oversold levels after a week of lateral moves. Demand for gold also improved Thursday, with the December futures contract climbing \$7.20, or 0.6%, to \$1,261.00 a troy ounce. Gold futures are slowly recovering from four-month lows seen last week.
- The US dollar was on track to snap a three-day losing streak, but remained well supported near seven-month highs. The dollar index dipped 0.1% to 97.84, having reached an earlier high of 98.13. The US currency has gained 2.5% against a basket of world peers so far this month.
- In economic data, Chinese trade figures disappointed the markets yesterday raising fresh concerns about the health of the world's second-largest economy. Exports plunged 10% in the 12 months through September, much worse than expected, while imports shrank after picking up the month before. In US dollar terms, Beijing's trade surplus narrowed to \$42 billion from \$52.05 billion.
- Meanwhile, German consumer inflation was confirmed at 0.7% year-over-year in September. In EU harmonized terms, inflation was unchanged at 0.5%, official data showed.
- Stock markets were down across the globe yesterday in reaction to the Federal Reserve's latest policy minutes, which seemed to show a growing number of officials backing a rate increase in the coming months.

### US Commodity Futures Trading Commission (CFTC) Data

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	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

# Commodity News

Friday, October 14, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Oct 14	06:30	CNY Consumer Price Index (YoY) (SEP)	High		1.6%	1.3%
Fri Oct 14	06:30	CNY Producer Price Index (YoY) (SEP)	Medium		-0.3%	-0.8%
Fri Oct 14	14:00	EUR Euro-Zone Trade Balance (euros) (AUG)	Low		15.3b	25.3b
Fri Oct 14	17:30	USD Advance Retail Sales (SEP)	High		0.6%	-0.3%
Fri Oct 14	17:30	USD Retail Sales Less Autos (SEP)	Medium		0.5%	-0.1%
Fri Oct 14	19:00	USD Business Inventories (AUG)	Medium		0.1%	0.0%
Fri Oct 14	19:00	USD U. of Michigan Confidence (OCT)	High		92	91.2
Fri Oct 14	21:00	USD Fed Chair Yellen Speaks at Boston Fed Conference	High			
Fri Oct 14	22:00	USD Baker Hughes U.S. Rig Count (OCT 14)	Medium			

Source: Forex Factory, DailyFX

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