

## Gold

### Technical

Gold markets rallied during the trading session yesterday as it was reported that the UK and Germany were possibly coming together a bit on the Brexit negotiations, and this of course in the EUR/USD pair in the GBP/USD pair higher. In other words, drove down the value of the US dollar which of course is good for gold overall. With that being the case, the market looks very likely to test the \$1205 level. If it can get above that level, it could free the market to go to the \$1210 level next. In the meantime Economists though, it would expect a lot of volatility, and just as much selling pressure as buying, as the markets are very erratic in general. It would trade this market in five dollar ranges, going back and forth to keep your P&L safe. If it do break down below the \$1200 level, somewhere near the 1196 level there should be some buying support.

Pivot:	1,202		
Support	1,196	1,193	1,189
Resistance	1,204	1,209	1,215

Source: FX EMPIRE

### Highlights

- Gold prices rose yesterday from an 11-day low as the U.S dollar eased from its recent rally
- Gold still close to a 1-1/2 year low of \$1,159.96 an ounce touched last month
- Gold has tumbled more than 12 percent from a peak in April as the dollar rose to 14-month highs and investors turned against the metal
- Without a weaker dollar, gold would find it difficult to rise
- An 8%, or 4.6 million-ounce, drop in the holdings of gold-backed exchange traded funds has also pressured the price of gold since late May

### Gold - Technical Indicators

RSI 14	42.09
SMA 20	1,196.1
SMA 50	1,196.4
SMA 100	1,197.4
SMA 200	1,198.6

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold inched up today, supported by physical buying and as the dollar remained under pressure, but a weaker yuan amid worries of looming U.S tariffs on China capped the metal's gains.
- Spot gold was up 0.1 percent at \$1,197.38, after rising 0.5 percent in the previous session. U.S gold futures rose 0.1 percent at \$1,202 an ounce. A bit of weakness in the U.S dollar has stabilized some of the selling in gold as it saw earlier in the week.
- Gold has tumbled more than 12 percent from a peak of \$1,365.23 in April. Present levels have recently invoked a lot of physical buying in not just active gold buying countries like India and China, but in southeast Asia for investment purposes too.
- China's yuan weakened against the dollar today as investors braced for more sweeping tariffs expected soon from Washington, making gold expensive for buyers in the world's biggest consumer.
- Gold has been under pressure for most of this year on rising interest rates, global trade tensions and an emergency market currency crisis, with investors parking their money in the dollar, undermining the metal's safe-haven status.
- The dollar index against a basket of six major currencies stood at 95.121, down 0.1 percent after shedding nearly 0.3 percent overnight. Markets will be closely watching a U.S employment report due on Friday for clues on the pace of interest rate increases by the Federal Reserve.
- Gold has fallen 1.5 percent from an Aug. 28 high as currency weakness in emerging markets and concerns over global trade disputes strengthened the dollar, making bullion more expensive for buyers with other currencies.

### 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 trying to rally during the day, finding the \$68.50 level as somewhat supportive. However, it can see that the \$69.50 level offered far too much in the way of the resistance and the market crumbled from there. James Bullard suggested that Fed tightening might bring in a recession, which is exactly what happened during the last five tightening cycles, so it was a bit of a surprise that it was a surprise to anyone. However, at this point markets look very erratic and probably are best avoided. Brent markets dipped down to the \$77 level, an area that looks to be rather supportive. Economists think that if it can break above \$78, then the Brent market could continue to rally. The robot trading has gotten a bit out of control, so if it was to play in the energy markets, it would do so in the CFD category and not futures. One minute it was up \$650, the next minute it was down \$200.

Pivot:	68.56		
Support	68.20	67.80	67.45
Resistance	69.10	69.60	70.00

Source: FX EMPIRE

### Highlights

- Oil prices traded lower, over concerns that U.S.-China trade war is set to ratchet up a few notches
- Brent crude is currently more than \$3 per barrel more expensive than for September 2019
- Government and political crisis has halved oil production in the last two years to little more than 1 million bpd
- Brent crude futures fell by 4 cents, to \$77.23 a barrel
- The U.S and China, the world's two largest economies, would stifle global economic growth, hurting demand for oil

### Crude - Technical Indicators

RSI 14	50.07
SMA 20	68.81
SMA 50	68.78
SMA 100	68.68
SMA 200	68.67

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices dipped today as emerging market turbulence weighed on sentiment, while a deadline neared for a potential new round of U.S tariffs on another \$200 billion of Chinese goods.
- U.S sanctions against Iran, however, prevented prices from falling further as they are expected to tighten the market after being implemented from November. U.S West Texas Intermediate crude futures were at \$68.59 per barrel, down 13 cents, or 0.2 percent, from their last settlement.
- Emerging market woes are weighing on global economic growth prospects, with Asian shares today heading for their sixth straight session of losses. The OPEC said, it expected global oil demand to break through 100 million bpd for the first time this year.
- Meanwhile, a public comment period on possible U.S tariffs on another \$200 billion of Chinese goods ends today, with expectations that U.S President Donald Trump will impose the additional levies.
- The prospects of increased supplies from OPEC and her allies, and weaker demand from China and other emerging markets could weigh further on oil prices going forward, or at least limit the upside potential.
- This is because of the U.S dollar's strength, weighing heavily on emerging market currencies, including the yuan, which in turn has pushed up the costs of all dollar-denominated commodities.
- Crude inventories fell by 1.17 million barrels to 404.5 million barrels in the week to Aug. 31, while refinery crude runs rose by 198,000 barrels per day (bpd), the data showed..

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

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	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 continue to be very noisy but did get a bit of a boost during trading yesterday, as it has seen reports coming out that the Germans and the British may both be softening their stance a bit when it comes to the Brexit. If that's the case, then expect the EUR/USD and the GBP/USD pairs to continue to rally, which of course puts downward pressure on the greenback overall, and therefore upward pressure on precious metals. However, a lot of concern with silver, especially near the \$14.50 level, an area that is going to be drastically resistive. It's selling signs of exhaustion near that level will continue to probably be the easiest trade to take, thereby allowing the market to breathe a bit, and giving you an opportunity to jump on what has been a strong trend.

Pivot:	14.27		
Support	14.12	13.98	13.80
Resistance	14.37	14.53	14.71

Source: FX EMPIRE

### Highlights

- Spot silver rose 0.6 percent to \$14.16 per ounce after falling to its lowest since January 2016 at \$13.97 in the previous session
- The wider metal markets enjoyed some reprieve from recent selling pressure
- Silver futures marked up 0.28% to \$14.22 a troy ounce
- Metal prices steadied yesterday as a weaker dollar helped silver prices claw back some losses from a day earlier
- December Comex silver was last up \$0.035 at \$14.215 an ounce

### Silver - Technical Indicators

RSI 14	61.97
SMA 20	14.19
SMA 50	14.19
SMA 100	14.20
SMA 200	14.21

Source: FX EMPIRE

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver prices are modestly up in early-afternoon U.S trading yesterday. Short covering in the futures markets and some perceived bargain hunting in the cash markets were featured today. A sell off in the U.S dollar index today also worked in favor of the precious metals market bulls.
- Silver futures barely edged up in Asian trade away from January 2016 lows, as the dollar index backed off August 21 highs for yet another session, ahead of high-profile US employment and services data later today.
- Silver futures due in December rose 0.04% to \$14.23 an ounce, as the dollar index slipped 0.12% to 95.09 against a basket of major currencies. Metals investors appear more worried that any economic weakness from the trade disputes could mean less demand for the metals.
- Global trade worries and the potential drag on the major economies of the world are somewhat weighing on equities markets this week. However, the matter has not produced much safe-haven demand for the metals at all.
- Secondary currency markets, including the Argentine peso and Turkish lira, remain under pressure against the U.S. dollar this week. There are still worries this matter could turn into something more serious that impacts the global financial system.
- Productivity is estimated to have grown 2.9% in the second quarter, while labor costs are expected with a 0.9% decline, as unemployment claims are pinned with a small increase to 214 thousand last week.
- Federal Reserve Bank of New York President John Williams will speak about the economy and the New York Fed's outreach program, at the University of Buffalo, later today, as investors look for clues about the future of monetary policies.

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	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, Sep 06, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs Aug 06	10:45	CHF Gross Domestic Product (YoY) (2Q)	High	3.4%	2.4%	2.9%
Thurs Aug 06	17:15	USD ADP Employment Change (AUG)	Medium		190k	219k
Thurs Aug 06	17:30	CAD Building Permits (MoM) (JUL)	Medium		0.8%	-2.3%
Thurs Aug 06	17:30	USD Initial Jobless Claims (SEP 1)	Medium		214k	213k
Thurs Aug 06	17:30	USD Continuing Claims (AUG 25)	Medium		1710k	1708k
Thurs Aug 06	19:00	USD ISM Non-Manufacturing/Services Composite (AUG)	High		56.6	55.7
Thurs Aug 06	19:00	USD Factory Orders (JUL)	Medium		-0.6%	0.7%
Thurs Aug 06	19:00	USD Durable Goods Orders (JUL F)	Medium			-1.7%
Thurs Aug 06	20:00	USD DOE U.S. Crude Oil Inventories (AUG 31)	Medium		-1294k	-2566k

Source: Forex Factory, DailyFX

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