

## Gold

### Technical

Gold prices surged as the dollar lost ground following weaker than expected jobs data report both on Friday and Tuesday in the United States. Prices surged after testing support near the 10-day moving average near 1,323. Resistance is seen near the August highs at 1,367. Momentum on gold prices has turned positive as the MACD (moving average convergence divergence) index generated a buy signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses above the 9-day moving average of the spread. The index moved from negative to positive territory confirming the buy signal. U.S. Labor Market Conditions index fell 0.7 points in August after July's 1.3-point increase. The bounce in July came after six consecutive monthly declines and was the lone positive reading in 2016. The index is comprised of 19 different indicators.

Pivot:	1,348		
Support	1,340	1,335	1,328
Resistance	1,359	1,365	1,374

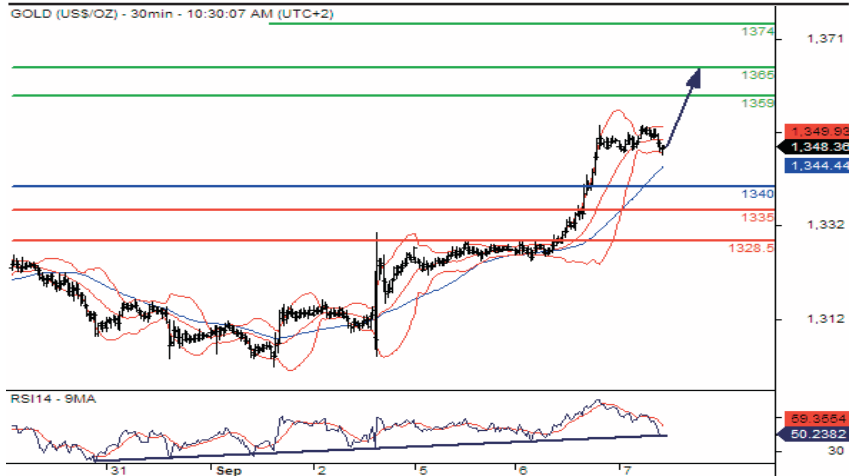
### Highlights

- Gold rose to a fresh two-and-a-half-week high today after gaining nearly 2 percent in the previous session
- Disappointing U.S economic data reinforced expectations the U.S Federal Reserve will keep rates on hold in September
- U.S services sector activity slowed to a 6-1/2-year low in August
- The U.S non-manufacturing new orders index for August fell to its lowest since December 2013
- The market sentiment has certainly changed since yesterday's poor economic data

### Gold - Technical Indicators

RSI 14	37.34
SMA 20	1,334.57
SMA 50	1,339.83
SMA 100	1,303.83
SMA 200	1,249.68

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices rose nearly 2 percent yesterday, the biggest percentage gain since June, as disappointing U.S. economic data reinforced speculation in the market that the Federal Reserve will not raise interest rates at its September policy meeting.
- The U.S non-manufacturing new orders index for August fell to its lowest since December 2013. Spot gold rose for a fourth straight day to a session high of \$1,351.84 an ounce, a rise of 1.9 percent - its biggest gain since June 24. Prices were up 1.73 percent at \$1,349.29 per ounce. U.S. gold futures ended the session 2 percent higher at \$1354.0.
- The metal hit a two-month low of \$1,301.91 last Thursday on prospects that a strong non-farm payrolls report for August could put the Fed on track to raise rates soon. Gold bounced back, however, when the data missed expectations.
- The combination of weaker economic data over the past week has certainly turned the precious metals market to the upside. This is a move that has the benefit of continuing now that the market does not have to wrangle with the idea of a rate hike anytime remotely soon.
- Gold is highly sensitive to rising U.S. interest rates, which increase the opportunity cost of holding the non-yielding asset while boosting the dollar, in which the metal is priced.
- The dollar index tumbled more than 1 percent yesterday. New U.S. data releases and any comments from Federal Reserve officials will be watched closely for hints as to the timing of any rate increases..
- Forecasting a 25-basis-point rate hike by the Fed in December, ABN Amro analyst Georgette Boele said that modest growth and above-growth inflation should be supportive of gold going into 2017. The metals have started this week on the front foot and gold is now above short-term resistance at \$1,330

### 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

Crude oil prices initially popped following the news of a Saudi-Russian agreement to create a working group that would limit oil price volatility. Prices were unable to breach the 10-day moving average at 45.65. Support on crude oil prices is seen near the August 31, lows at 43. Momentum remains negative as the MACD (moving average convergence divergence) prints in the red with a downward sloping trajectory which points to lower prices. Prices have been under pressure given the recent increase in inventories, but the recent selloff in the dollar could put a floor under prices. Friday's softer than expected U.S. payrolls report took the steam out of the greenback, which could allow commodities that are priced in U.S. dollar to gain ground. Oil is trying to roll over in general, but at this point volatility will continue to be the norm for this market.

Pivot:	45.12		
Support	44.67	43.80	43.00
Resistance	45.79	46.50	47.50

### Highlights

- Oil futures settled on a mixed note yesterday, with West Texas Intermediate crude ending at a one-week high
- Investors are eyeing a pact between the world's two largest crude producers, Russia and Saudi Arabia
- Crude rose 39 cents, or 0.9%, to settle at \$44.83 a barrel on the NYMEX
- Russian and Saudi officials said they would set up a working group to monitor the oil market
- Crude gained on freeze deal speculations in the last two trading sessions

### Crude - Technical Indicators

RSI 14	51.81
SMA 20	46.21
SMA 50	44.98
SMA 100	46.61
SMA 200	41.28

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices inched lower today as market participants remained skeptical that producers will reach an agreement to freeze output to rein in a global supply glut.
- NYMEX crude for October delivery was down 8 cents at \$44.75, after settling up 39 cents yesterday. Oil prices hit a one-week high on Monday after Russia and Saudi Arabia agreed to cooperate on stabilizing the oil market, but they have since fallen due to the mounting uncertainty over a deal.
- The Organization of the Petroleum Exporting Countries and non-OPEC producers such as Russia will hold informal talks in Algeria on Sept. 26-28, but many in the market are skeptical a deal will happen.
- Saudi Arabia's Foreign Minister Adel al-Jubeir said yesterday it would go along with a freeze in oil output if other producers agreed one but cautioned that Iran, which is aiming to raise output to pre-sanction levels, could foil any attempt to limit output.
- Iran, however, signaled yesterday it was prepared to work with Saudi Arabia and Russia to prop up oil prices as it began to bargain with OPEC on possible exemptions from output limits.
- On demand, Genscape data showed a draw of some 700,000 barrels last week at the Cushing, Oklahoma, delivery hub for U.S. crude futures. U.S. commercial crude inventories likely fell by 100,000 barrels last week after rising for two straight weeks, a preliminary Reuters poll showed. Gasoline stocks likely fell by 500,000 barrels, while distillate stocks are forecast to have increased by 1 million barrels, the poll showed.
- The American Petroleum Institute is set to release the weekly oil data later today in U.S. trading session, delayed a day from usual due to the Labor Day holiday.

### 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 markets rose during the course of the day on Tuesday, breaking above the \$19.50 level. It looks as if we are going to grinder way to the upside yet again. The top of the consolidation that we are in now is reach towards the \$20.50 level. This being the case, as we pullback, I believe that buyers will return going forward as it is a bullish market and now should continue to attract upward pressure as silver has been going higher for the last several sessions. Because of this, I have no interest in selling the market. The price of silver since yesterday's session has experienced limited movement. Silver has been trending its way lower since peaking at the top-end of an ongoing range. The better than expected jobs report sent the metal reeling while the dollar surged. This is exposing the low-end of the range around 19.20. Slow trading environments are excellent time to sharpen skillsets.

Pivot:	19.92		
Support	19.60	19.30	19.09
Resistance	20.27	20.43	20.60

### Highlights

- Silver prices were boosted by a fresh slide in the dollar following weaker than expected US ISM non-manufacturing data
- Silver consolidated around \$19.90 during yesterday's trading session
- The US ISM non-manufacturing data was much weaker than expected with a decline to 51.4 for August from 55.5
- There was a sharp slowdown in both the orders and output indices
- The labor market conditions index also returned to negative territory for August

### Silver - Technical Indicators

RSI 14	38.90
SMA 20	19.27
SMA 50	19.76
SMA 100	18.42
SMA 200	16.84

### Silver Daily Graph



### Fundamentals

- Silver prices surged yesterday, reaching fresh three-week highs as North American markets reopened after the Labour Day long weekend. December silver contracts advanced 28 cents or 1.4% to \$19.65 a troy ounce. The grey metal was trading near session highs and was on pace for its highest settlement since August 18.
- Silver prices have advanced in four consecutive sessions, with gains accelerating after last Friday's disappointing US jobs report. Gold prices also spiked on Tuesday. The December contract rose \$9.60 or 0.7% to \$1,336.30 a troy ounce. The yellow metal was trading at the upper end of its daily range.
- Precious metals were supported by a renewed slump in the US dollar, as investors continued to discount the likelihood of a September rate hike by the Federal Reserve. The dollar index, which tracks the performance of the greenback against a basket of six currencies, fell 0.3% to 95.58.
- In economic data, Eurozone gross domestic product (GDP) expanded 0.3% in the second quarter, the European Commission's statistics agency confirmed on Tuesday. That translated into a year-over-year gain of 1.6%. Separately, German factory orders rose less than expected in July, edging up 0.2%, the Federal Statistics Office reported.
- In monetary policy news, the Reserve Bank of Australia (RBA) kept its overnight rate unchanged at 1.5%, as expected. The meeting was the last to be headed by Glenn Stevens, who served as the RBA's governor for ten years. He will be replaced by current Deputy Governor Philip Lowe in September.
- The Bank of Canada and European Central Bank will also deliver policy statements later this week. No changes are expected at either bank. In terms of upcoming data, UK Office for National Statistics will report on industrial and manufacturing production. The Federal Reserve will also release its Beige Book, a summary of economic activity from various Fed districts.

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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

Wednesday, September 07, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Sep 07	06:30	AUD Gross Domestic Product (YoY) (2Q)	High	3.3%	3.3%	3.0%
Wed Sep 07	10:00	JPY Leading Index (JUL)	Medium	100.0	98.6	99.2
Wed Sep 07	13:00	CNY Foreign Reserves (AUG)	Medium	\$3182.2b	\$3191.0b	\$3201.1b
Wed Sep 07	13:30	GBP Industrial Production (YoY) (JUL)	Medium	2.1%	1.9%	1.4%
Wed Sep 07	13:30	GBP Manufacturing Production (YoY) (JUL)	Medium	0.8%	1.7%	0.6%
Wed Sep 07	16:00	USD MBA Mortgage Applications (SEP 2)	Medium			
Wed Sep 07	18:15	GBP BOE's Carney, Cunliffe, Forbes, McCafferty Speak in London	Medium			
Wed Sep 07	19:00	CAD Bank of Canada Rate Decision (SEP 7)	High		0.50%	0.50%
Wed Sep 07	23:00	USD U.S. Federal Reserve Releases Beige Book	Medium			

Source: Forex Factory, DailyFX

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