

Gold

Technical

Gold prices generated an inside day on Wednesday and given the uncertainty over next week's FOMC announcement, expectations are that gold prices will continue to consolidate inside of a 1,300-1,350 trading range. The Bank of Japan will also meet next week adding to volatility in the capital markets. An inside day is a pattern that is generated when there is uncertainty, and reflects indecision by traders. Resistance on the yellow metal is seen near the 10-day moving average at 1,330, while support is seen near the August 31, lows at 1,302. Momentum is negative as the MACD recently generated a sell signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses below the 9-day moving average of the spread. Silver prices are also consolidating trading near the 19 handle above support levels near the 18.35 region.

Pivot:	1,319		
Support	1,315	1,309	1,304
Resistance	1,326	1,331	1,335

Highlights

- Gold prices struggled near the lowest level in nearly two weeks during European trading session today
- Investors focused on the next set of U.S data to see whether it supports expectations that the Fed will raise interest rates
- The most important piece of data today is August retail sales
- Besides the retail sales report, U.S will also release data on weekly jobless claims
- Markets are pricing in just a 15% chance of a rate hike at the Fed's September 20-21 meeting

Gold - Technical Indicators

RSI 14	59.17
SMA 20	1,331.57
SMA 50	1,335.83
SMA 100	1,307.83
SMA 200	1,258.68

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices slipped today after breaking a five-day losing streak in the previous session, as the dollar rose slightly and uncertain equity markets boosted the metal's safe-haven appeal ahead of the U.S. Federal Reserve meeting next week.
- Asian stocks wavered as investors grappled with the seemingly diminishing ability of major central banks to stimulate growth, while a tumble in crude oil prices added to the risk-aversion mood.
- While the market is predicting relatively low probability for September hike, they now seem to be more convinced that a December hike is highly probable. The market has been characterised by high volatility than few weeks before.
- Spot gold had slipped 0.3 percent to \$1,318.96 an ounce and U.S. gold futures were down 0.3 percent at \$1,322.60 an ounce. The dollar index, which measures the greenback against a basket of six major currencies, was up 0.2 percent at 95.521.
- While U.S. interest rate futures indicate that expectations of an actual rate increase next week remain low, the dollar could get a lift from anything in the Fed's statement that hints at a hike this year. 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 gold market is on the defensive. It has remained under pressure despite the clear and marked reduction in market expectations of a U.S. rate hike later this month.
- With China's financial markets closed for the Mid-Autumn Festival, the gold market is expected to be quiet. The Bank of England will be a focus on Thursday. The central bank is seen standing pat after easing policy last month, amid signs it overestimated the initial shock to Britain's economy from June's Brexit vote.

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 initially moved higher following an unexpected draw in crude oil inventories, but reversed course and sliced through trend line support that connected the low in August to the lows in September. Brent moved lower in tandem. Support is seen near the August 31 lows at 43, while resistance is seen near the 10-day moving average at 45.15. Momentum has turned negative as the MACD (moving average convergence divergence) index recently generated a sell signal. While expectations were for a 4-million-barrel build, the Energy Information Administration reported a draw. According to the EIA, U.S. commercial crude oil inventories decreased by 0.6 million barrels from the previous week. The EIA reported that gasoline inventories increased by 0.6 million barrels last week, and are well above the upper limit of the average range.

Pivot:	43.71		
Support	43.00	42.50	42.00
Resistance	44.70	45.75	46.50

Highlights

- Oil held fell amid speculation the global crude glut will expand as Libya and Nigeria prepare to boost exports within weeks
- Oil fell as much as 0.6 percent after losing 5.9 percent the previous two sessions
- Libya's state oil company yesterday lifted curbs on sales from three ports, potentially unlocking 300,000 barrels a day
- U.S government data showed crude stockpiles fell 559,000 barrels last week
- WTI for October delivery was at \$43.44 a barrel on the NYMEX, down 14 cents

Crude - Technical Indicators

RSI 14	54.64
SMA 20	46.40
SMA 50	44.68
SMA 100	46.59
SMA 200	41.61

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices slid today on rising U.S stockpiles of refined products and news Libya plans to resume oil shipments from a long-closed port. U.S. crude for October delivery settled down \$1.32, or 2.9%, at \$43.58 a barrel on the New York Mercantile Exchange.
- Oil prices have held roughly between \$40 and \$50 a barrel for months on continued uncertainty about how long the global glut of crude is set to persist. Production from the Organization of the Petroleum Exporting Countries remains high and inventories in the U.S. and elsewhere stand near record levels.
- U.S. crude inventories fell by 600,000 barrels in the week ended Sept. 9, the Energy Information Administration said Wednesday. However, stockpiles of gasoline and distillates, including heating oil and diesel fuel, rose.
- Total supplies of crude oil and refined products rose by six million barrels in the week to 1.4 billion barrels, near the record high reached a few weeks ago, the EIA said.
- Libyan officials said they plan to load the first crude-oil cargo in nearly two years from an important port, Ras Lanuf. Libyan production has been limited in recent years by political unrest and violence, and an increase in Libyan exports would be a major oil-market development ahead of talks in Algeria in September among OPEC members to cap output.
- Gasoline futures settled down 1.5 cents, or 1.1%, at \$1.3615 a gallon. Diesel futures fell 4.12 cents, or 2.9%, to \$1.3817 a gallon, the lowest settlement since Aug. 10.
- U.S crude production rose by 35,000 barrels a day last week to 8.5 million barrels a day, the EIA estimated. Domestic oil output is closely watched for signs of how large spending cuts by oil companies will translate into lower production, helping shrink the crude oversupply.

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 rose slightly during the course of the session on Wednesday, breaking back above the \$19 level. That being the case, the market looks as if it is trying to grind higher, perhaps reaching towards the \$19.50 level, an area that was previously supportive. Ultimately, this is a market that should continue to find buyers, and as a result even if we pullback from here I am willing to buy supportive looking candles, at least down to the \$18 level, which I see as the “floor” in this market. Ultimately, I believe the market will reach towards the \$20.50 level as well. The daily chart is offering little from which to operate off of at this time. The long-term support zone in the 18s has kept a floor in silver so far, but finding a good sustainable directional play has not been easy. With that in mind, we will continue to focus more on the intra-day time-frames until clarity presents itself.

Pivot:	18.91		
Support	18.67	18.55	18.36
Resistance	19.29	19.54	19.70

Highlights

- Silver prices found support from a more defensive dollar tone with support below the \$19.00 level as volatility subsided slightly
- Silver was able to recover ground yesterday as fixed-income pressures subsided
- With commodity currencies generally on the defensive, there was some net negative impact on silver
- The US retail sales and jobless claims data will be an important focus today
- U.S PMI surveys and Philadelphia Fed survey is also scheduled for release

Silver - Technical Indicators

RSI 14	60.46
SMA 20	19.15
SMA 50	19.68
SMA 100	18.58
SMA 200	17.04

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices consolidated higher yesterday ahead of a deluge of economic reports that could give investors a clearer picture of the health of the US economy.
- Silver for December delivery edged up 3 cents or 0.2% to \$19.00 a troy ounce. The futures price consolidated near the midpoint of the daily range of \$18.85 and \$19.18.
- Meanwhile, gold prices also edged up slightly after a five-day slump. The December futures contract edged up \$2.2% or 0.2% to \$1,325.90 a troy ounce. Gold's premium over silver reached a daily high of 69.96, according to Kitco. The gold/silver ratio settled at 69.84 the previous day.
- After climbing to more than one-week highs, the US dollar dipped lower against a basket of currencies Wednesday. The dollar index dipped 0.1% to 95.50. In economic data, UK unemployment claims rose slightly in August, the Office for National Statistics reported. A total of 2,400 Britons sought unemployment benefits last month.
- The claimant count rate declined the previous month. UK unemployment was unchanged at 4.9% in the three months through July. Average earnings including bonuses rose at a faster 2.3% annual pace in the May-July period.
- The Bank of England (BOE) is expected to keep interest rates unchanged in its upcoming policy meeting on Thursday. The United States will release a series of economic reports over the next two days that could give investors their final clues about the performance of the economy before the Federal Reserve's meeting next week.
- U.S retail sales are scheduled today. Separately, the Department of Labor will release latest figures on factory-gate prices and weekly jobless claims. The Fed will round out the day with its monthly report on industrial production.

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

Thursday, September 15, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Sep 15	06:30	AUD Employment Change (AUG)	High		15.0k	25.3k
Thu Sep 15	12:30	CHF SNB Sight Deposit Interest Rate (SEP 15)	High		-0.75%	-0.75%
Thu Sep 15	14:00	EUR Euro-Zone Consumer Price Index (YoY) (AUG)	Medium		0.2%	0.2%
Thu Sep 15	16:00	GBP Bank of England Rate Decision (SEP 15)	High		0.25%	0.25%
Thu Sep 15	16:00	GBP BOE Asset Purchase Target (SEP)	High		435b	435b
Thu Sep 15	17:30	USD Advance Retail Sales (AUG)	High		-0.1%	0.0%
Thu Sep 15	17:30	USD Initial Jobless Claims (SEP 10)	Medium		265k	259k
Thu Sep 15	17:30	USD Philadelphia Fed. (SEP)	Medium		1	2
Thu Sep 15	18:00	USD Existing Home Sales (MoM) (AUG)	Medium			-1.3%

Source: Forex Factory, DailyFX

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