

## Gold

### Technical

Gold prices moved lower on Friday following a stronger than expected U.S CPI report which buoyed the greenback and generated headwinds for the yellow metal. Prices are poised to test support near the August 31 lows near 1,303. Resistance is seen near the 10-day moving average at 1,328. Momentum has turned negative as the MACD index 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. U.S. CPI rose 0.2% in August, double expectations of a 0.1% increase, with the ex-auto component up 0.3%. On an annual basis, CPI is 1.1% year over year versus 0.8% year over year, with the core up 2.3% year over year from 2.2% year over year. Energy costs were flat after a 1.6% drop in July, which followed four months of gains.

Pivot:	1,316		
Support	1,309	1,305	1,302
Resistance	1,321	1,326	1,332

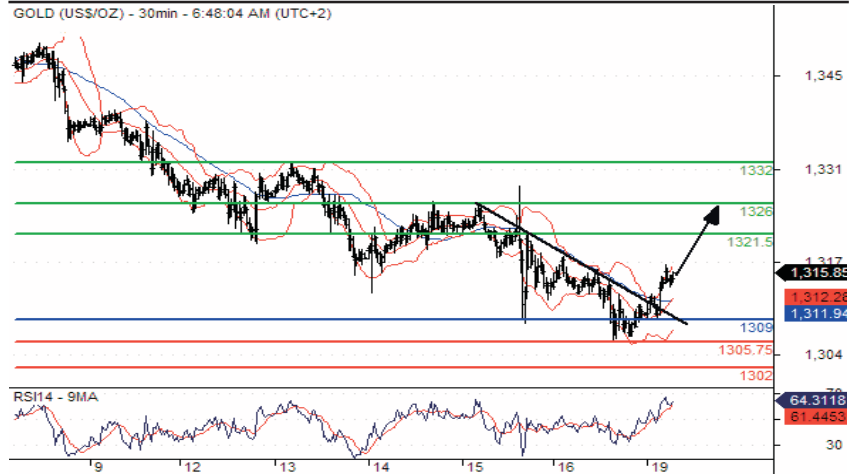
### Highlights

- Gold gained from the lowest close in more than two weeks ahead of gatherings this week at the Federal Reserve and the BoJ
- The U.S Dollar fell amid speculation that U.S policy makers won't raise rates this time around
- Bullion for immediate delivery rose as much as 0.6 percent to \$1,317.85 an ounce
- Gold gave up some gains made in the first half of the year as investors debate the outlook for policy from the Fed
- The odds of a U.S rate increase at the policy-setting FOMC remain at 20 percent

### Gold - Technical Indicators

RSI 14	39.49
SMA 20	1,324.57
SMA 50	1,333.83
SMA 100	1,311.83
SMA 200	1,266.68

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold rose today in Asian session, supported by a weaker dollar ahead of the U.S. Federal Reserve policy meeting and a resurgence in Chinese buying after the metal hit a two-week low in the prior session.
- The Fed is set for a lively debate when it meets on Sept. 20-21 and could give a clear signal of an interest rate rise to come even if it follows market expectations for a pause this month. Economists polled by Reuters are increasingly expecting a rate hike this year, but only in December.
- A softer dollar, which was down 0.2 percent against a basket of currencies, underpinned gold by making the metal cheaper for holders of other currencies. Spot gold was up 0.6 percent at \$1,317.66 an ounce, having hit a low of \$1,306.26 on Friday, the weakest since Sept. 1.
- The return of Chinese investors after the Mid-Autumn Festival break spurred buying. China has been out of the market for two days and obviously liked these levels and is buying.
- People are quite hawkish on the Fed meeting. If there is any buying, it must be in arbitrage as Shanghai premiums were firm. When Europe wakes up it might be a different story and there could be selling in the rally. Some stops were triggered on the upside.
- The market is also waiting for the outcome of a Bank of Japan policy meeting, on Sept 20-21, for trading cues. Gold has seesawed for the last week purely because of the fact that market watchers are waiting for the Fed meeting later this week.
- Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 1.11 percent to 942.61 tonnes on Friday. Speculators lowered their net long positions in COMEX gold contracts in the week to Sept. 13, U.S. Commodity Futures Trading Commission data showed.

### 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 lower on Friday and dipped below 43 for the first time in two weeks. Brent oil prices moved lower in tandem. An increase in the number of active rigs put pressure on prices. Support is seen near the 43 handle and a break of this level would lead to a test of a long term trend line that connects the lows in April to the lows in July and comes in near 40.78. Resistance is seen near the 10-day moving average near 40.04. Momentum on the currency pair turned negative as the MACD (moving average convergence divergence) index 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. Baker-Hughes weekly U.S. oil rig count rose by 2 to 416 in the latest reporting week, still down 228 from last year.

Pivot:	43.81		
Support	43.10	42.70	42.00
Resistance	44.35	45.76	45.50

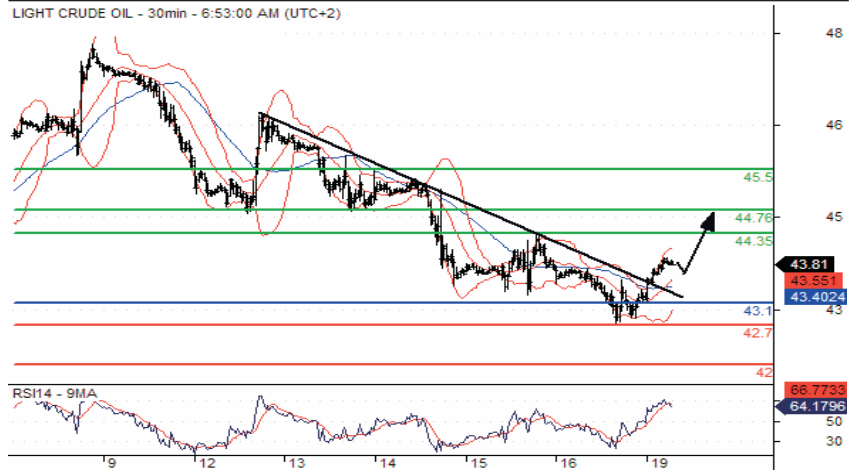
### Highlights

- Crude-oil prices recovered losses on news that military conflicts in Libya had affected its oil exports over the weekend
- Crude futures for delivery in October traded at \$43.84 a barrel, up \$0.80, or 1.9%
- Bargain hunting following a decline on Friday was also pushing oil prices higher
- Persistent oversupply and ultra-high inventories of refined products are keeping global oil prices in the doldrums
- OPEC is scheduled to have an informal meeting on Sept. 28 in Algeria

### Crude - Technical Indicators

RSI 14	39.94
SMA 20	45.39
SMA 50	44.57
SMA 100	46.36
SMA 200	42.10

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices rose almost 2 percent today in Asian session, after Venezuela said OPEC and non-OPEC producers were close to reaching an output deal and as clashes in Libya raised concerns that efforts to restart crude exports could be disrupted.
- Venezuelan President Nicolas Maduro has said that a deal could be announced this month to stabilize oil markets, which have come under pressure due to a persistent glut and a price collapse over the past two years. U.S. crude was up 78 cents, or 1.8 percent, at \$43.81 a barrel.
- The rise in oil prices is a reaction to Venezuelan comments about producers reaching a possible output agreement. Loading disruptions in Libya were also underpinning the market.
- Libya unable to get their first ship loaded is a reminder that it may be difficult for Libya to increase production. Clashes in Libya have halted the loading of the first oil cargo from the port of Ras Lanuf in close to two years, while also raising fears of a new conflict over Libya's oil resources.
- Brent and WTI prices had been dragged to multi-week lows in Friday's trading session amid worries returning supplies from Libya would add to the global supply glut. Concerns over rising supplies remain a bugbear on sentiment of crude oil.
- Crude exports from No.3 OPEC producer Iran in August jumped 15 percent from a month ago to more than 2 million barrels per day, according to a source with knowledge of its tanker loading schedule, closing in on Tehran's pre-sanctions shipment levels of five years ago.
- In the United States, drillers have added oil rigs for 11 out of the past 12 weeks. Drillers added two oil rigs in the week to Sept. 16, bringing the total rig count up to 416, the most since February.

### 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 course of the last week, but then turned back around to form a bit of a negative candle on Friday. The \$18 level below could be supportive though, so let's see whether or not there is a supportive candle that we consider going long. If we do break down below the \$18 level, at that point time I feel that the market will probably reach down to the \$16 level. Ultimately, I prefer to go long if I have a signal to do so, but I have to wait for it to happen. The caveat was the break occurred into a trend-line extending back to the 8/28 low. A breakdown would bring the 8/28 low at 18.37 into the discussion. A break to the upside will again quickly find silver up against that 19.20 level, so it will make momentum perhaps a bit more sluggish until it can hurdle that important level towards a measured move target in the 19.50s.

Pivot:	19.11		
Support	18.85	18.63	18.36
Resistance	19.36	19.54	19.70

### Highlights

- Silver futures for December delivery inched up today in Asian trading session to \$18.877 a troy ounce
- Financial markets in Tokyo are shut today for a holiday
- The Fed is not expected to take action on interest rates at the conclusion of its two-day policy meeting on Wednesday.
- Speculation about the timing of the Fed's next interest rate hike has been in focus this month
- Markets are currently pricing in just a 15% chance of a rate hike this week

### Silver - Technical Indicators

RSI 14	42.95
SMA 20	19.09
SMA 50	19.50
SMA 100	18.78
SMA 200	17.22

### Silver Daily Graph



### Fundamentals

- Silver prices edged lower Friday and were headed for their first five-day loss in three weeks, as investors turned their attention to the upcoming Federal Reserve policy meeting.
- Silver for December delivery declined 8 cents, or 0.4%, to \$18.97 a troy ounce. The contract traded within a narrow range of \$18.92 and \$19.09 through the overnight session. There was underlying evidence that investor interest in precious metals was fading which maintained a slight downward bias for prices, although ranges were relatively narrow.
- For the week, silver was on track for a decline of more than 2%. The gold/silver ratio used by investors to determine when to buy and sell precious metals hovered within a daily range of 69.26 and 69.73, according to Kitco. The ratio closed at 69.28 on Thursday, which states that 69.28 ounces of silver are needed to buy one ounce of gold.
- A firmer US dollar continued to undermine precious metals Friday. The dollar index advanced 0.2% to 95.47. The US currency shrugged off disappointing economic data on Thursday as investors turned their attention to the Fed.
- The US central bank is widely expected to keep rates unchanged when it concludes its two-day meeting on Wednesday. However, the official rate statement could reveal clues about the path of interest rates moving forward.
- The Fed's rate statement will be released on Wednesday, and will be accompanied by a revised summary of economic projections covering GDP, unemployment and inflation.
- Commodity prices were generally lower across the board, with crude prices down more than 1.5%. The US CPI release was stronger than expected with headline CPI rising 0.2% for August, compared with expectations of a 0.1% gain with an annual increase of 1.1% from 0.8% in July.

### 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

Monday, September 19, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Sep 19	03:00	NZD Westpac Consumer Confidence (3Q)	Medium	108.0		106.0
Mon Sep 19	03:30	NZD Performance Services Index (AUG)	Medium	57.9		54.5
Mon Sep 19	04:01	GBP Rightmove House Prices (YoY) (SEP)	Medium	4.0%		4.1%
Mon Sep 19	13:00	EUR Euro-Zone Current Account n.s.a. (euros) (JUL)	Low	31.5b		39.1b
Mon Sep 19	13:00	CHF Total Sight Deposits (SEP 16)	Low	516.66b		515.8b
Mon Sep 19	13:00	CHF Domestic Sight Deposits (SEP 16)	Low	438.71b		438.6b
Mon Sep 19	14:00	EUR Euro-Zone Construction Output w.d.a. (YoY) (JUL)	Low			0.6%
Mon Sep 19	19:00	USD NAHB Housing Market Index	Medium		60	60
Mon Sep 19	22:00	EUR ECB's Mersch Speaks in Munich	Low			

Source: Forex Factory, DailyFX

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