

# Commodity News

Monday, April 01, 2019



## Gold

### Technical

Gold markets initially tried to rally during the week but found a lot of selling pressure above. The market looks very likely to continue to bounce around in this area, as it has a lot of economic activity that is moving the market overall. Gold markets of course are highly sensitive to what's going on with the greenback, which has been all over the place against the Euro and other currencies. Because of this, Gold of course has a significant amount of volatility attached to it due to the noise. If it break down below the uptrend line, the market probably goes down to the \$1275 level underneath which has featured a lot of short-term importance. If it break to the upside, then the \$1325 level will be targeted initially, and then eventually the \$1350 level.

Pivot:	1,296		
Support	1,283	1,279	1,275
Resistance	1,306	1,300	1,296

Source: FX EMPIRE

### Highlights

- Gold prices rose today as investor appetite for riskier assets improved
- Gold prices were high during the day as the dollar stabilized against most major currencies
- The world's largest economy, and also on the threshold of developments and economic data expected on Friday from the US economy
- Investors are currently looking to the US economy to reveal spending and personal income data
- Hedge funds and money managers increased their bullish wagers in COMEX gold in the week to March 26

### Gold - Technical Indicators

RSI 14	45.44
SMA 20	1,267.2
SMA 50	1,252.1
SMA 100	1,256.3
SMA 200	1,277.8

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices inched up today as the dollar backed off three-week highs, but gains in the metal were limited as equities rose on signs of progress in the Sino-U.S trade talks and upbeat Chinese economic data.
- Spot gold was up 0.1 percent at \$1,293.15 per ounce, after touching its lowest since March 8 at \$1,286.35 in the previous session. U.S gold futures were down about 0.1 percent at \$1,297.90 an ounce.
- The U.S dollar slipped 0.1 percent against key rivals, after hitting its highest since March 11 on Friday. Investors are also keeping a close watch on the trade talks between the United States and China.
- Global demand for gold in 2019 will rise to the highest in four years as higher consumption by jewelers offsets a fall in purchases by central banks. Market participants are now awaiting manufacturing PMI data from the United States and Europe and U.S retail sales data later in the day.
- Factory activity in China unexpectedly grew for the first time in four months in March, an official survey showed on Sunday, suggesting government stimulus measures may be starting to take hold in the world's second-largest economy.
- Data showed that personal income in the US rose by 0.2% last month, while the savings rate fell, while the consumers confidence improved in March. The dollar index against most major currencies stabilized at 97.25, hitting a high of 97.3 points and a low of 97 points.
- Gold futures June delivery rose by 0.2%, to close at \$1298.5 an ounce, while the precious metal recorded a weekly loss of 1% and monthly losses of 1.4%, but it reached quarterly gains of 1.2%.

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

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2018	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2019	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2019	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2019	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2019	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

The WTI Crude Oil market initially pulled back but then rallied significantly to break above the \$60 handle. It's likely that it is continuing to see a buildup pressure to the upside, which would of course proceed some type of explosive move. If it can break out above the top of the weekly candle, it's likely that it go to the \$65 level. Pullbacks continue to be buying opportunities. Brent markets initially fell during the week, but then turned around to show signs of life at the 200 week EMA. By turning around the way it has, it looks as if it is continuing to try to break to the upside, perhaps reaching towards the daily gap at the \$70 level. Overall, this is a market that has plenty of support down at the \$65 level, so it's not until it break down below there that it would be a seller of this market for the longer-term move. At that point, it could very easily drop down to the \$60 level.

Pivot:	60.45		
Support	60.45	60.10	59.85
Resistance	61.85	61.40	61.05

Source: FX EMPIRE

### Highlights

- Oil prices rose during the day as the dollar stabilized against most of the majors
- Crude trimmed its gains pending the release of US exploration results for the week
- Oil prices marked up and supported by the commitment of "OPEC" and its allies to the production cut levels
- Crude has been buoyed up by optimism about US-China trade negotiations, which in turn supports global demand for commodities
- The United States had placed further "intense pressure" on Iran

### Crude - Technical Indicators

RSI 14	55.83
SMA 20	48.93
SMA 50	46.53
SMA 100	47.26
SMA 200	51.85

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices rose today, adding to gains in the first quarter when the major benchmarks posted their biggest increases in nearly a decade, as concerns about supplies out weigh fears of a slowing global economy.
- Brent crude for June delivery was up by 64 cents, or 1 percent, at \$68.22 a barrel, having risen 27 percent in the first quarter. U.S West Texas Intermediate futures rose 43 cents, or 0.7 percent, to \$60.57 barrel, after posting a rise of 32 percent in the January-March period.
- U.S sanctions on Iran and Venezuela along with supply cuts by members of the Organization of the Petroleum Exporting Countries and other major producers have helped support prices this year, overshadowing concerns about global growth and the U.S-China trade war.
- Future gains will be limited by potential softness in the global economy as well as the ability of U.S oil producers to ramp up production when prices spike.
- U.S production has also steadied, with the U.S government reporting on Friday that domestic output in the world's top crude producer edged lower in January to 11.9 million bpd.
- A deal between OPEC and allies such as Russia to cut output by around 1.2 million barrels per day, which officially started in January, has also supported prices.
- The U.S has also instructed oil trading houses and refiners to further cut dealings with Venezuela or face sanctions themselves, even if the investors are not prohibited by published U.S sanctions.

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	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2018	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2019	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2019	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2019	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2019	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 week, reaching towards the bottom of the uptrend line. The market has rolled over from there and it looks very likely that it continue to see a lot of trouble in this area, with the \$15 level underneath offering massive support. If it break down below the \$15 level, then the market is likely to go even lower, perhaps reaching towards the \$14.50 level, possibly even the \$14 level after that. The market is likely to go much higher, perhaps reaching towards the \$16 level. That's an area that of course will cause a significant amount of resistance based upon recent actions, but it would be extraordinarily bullish of silver to break up in that direction. It continue to trade short-term more than anything else in this overall range between \$15 and \$15.50. Longer-term, it will break out of this \$0.50 range.

Pivot:	15.20		
Support	14.95	14.89	14.80
Resistance	15.30	15.25	15.20

Source: FX EMPIRE

### Highlights

- Silver prices posted corrective gains on Friday, following the sharp losses suffered Thursday
- Some mild U.S inflation data just released is also helping out the precious metals market bulls
- Silver futures May delivery rose by 0.9% and closed at \$15.110 an ounce, the metal hit a day high of \$15.18 and a low of \$14.95
- Investors are exhibited a bit more risk appetite, which has buoyed world stock markets but has helped to sink the safe-haven silver markets
- May Comex silver was last up \$0.122 at \$15.09 an ounce

### Silver - Technical Indicators

RSI 14	19.80
SMA 20	17.27
SMA 50	16.72
SMA 100	16.85
SMA 200	16.87

Source: FX EMPIRE

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver futures fluctuated in a tight range lower during the Asian session to see their sixth session drop in seven sessions from its highest since early March, approaching weekly losses and the second monthly loss respectively.
- Silver prices fell during today's trading session, the last of the first quarter, as the dollar stabilized against most major currencies and investors turned to precious metals as a safe haven in the face of global uncertainty.
- The dollar index rose for the sixth session in eight sessions From its lowest since the fourth of last month, according to the reverse relationship between them.
- There were concerns in global markets this week after weak economic data for industrial activity in both the US and the eurozone, which raised concerns about a slower growth rates in the developed economies.
- US GDP data showed that the growth slowed in the fourth quarter of last year to 2.2% from 2.6% in the previous reading, compared to estimates of 2.4% growth. The world's largest metal consumer and the United States, the world's largest economy and also on the threshold of developments and economic data expected on Friday from the US economy.
- Additionally, Treasury Secretary Steven Mnuchin said the trade officials from the two countries will meet again in Washington. As well as, the release of the Chicago PMI, which may reflect a contraction of 61.1 vs. 64.7 in February, and the reveal of housing market data with the release of the New Home Sales Index, which may reflect a 2.1% 625 thousand homes compared to a 6.9% decline for about 607 thousand homes in January.

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

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2018	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2018	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2018	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2018	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2019	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

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Monday, April 01, 2019



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon April 01	14:00	EUR Euro-Zone Consumer Price Index Core (YoY) (MAR A)	High	0.80%	1.00%	1.00%
Mon April 01	14:00	EUR Euro-Zone Consumer Price Index Estimate (YoY) (MAR)	High	1.40%	1.50%	1.50%
Mon April 01	17:30	USD Retail Sales Advance (MoM) (FEB)	High		0.30%	0.20%
Mon April 01	17:30	USD Retail Sales Ex Auto and Gas (FEB)	Medium		0.40%	1.20%
Mon April 01	17:30	USD Retail Sales Control Group (FEB)	Medium		0.40%	1.10%
Mon April 01	18:30	CAD RBC Canadian Manufacturing PMI (MAR)	High			52.6
Mon April 01	19:00	USD ISM Manufacturing (MAR)	High		54.3	54.2
Mon April 01	19:00	USD ISM Employment (MAR)	High			52.3
Mon April 01	19:00	USD ISM Prices Paid (MAR)	Medium			49.4

Source: Forex Factory, DailyFX

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