

## Gold

### Technical

Gold markets have been rather noisy as of late, breaking down through major support. However, it is yet again at a support region, which have marked as a box on the chart, centered roughly around the \$1275 level. The dollar also traded sideways despite lower US yields. US yields were pushed lower by a wider than expected trade deficit which will likely weigh on US growth. Support is seen near the January lows at 1,276, and then an upward sloping trend line that comes in near 1,243. Resistance is seen near the 50-day moving average at 1,301. Prices are oversold as the fast stochastic is printing a reading of 7, well below the oversold trigger level which could foreshadow a correction. For the year, the deficit increased by \$68.8 billion, or 12.5%, to \$621 billion.

|            |       |       |       |
|------------|-------|-------|-------|
| Pivot:     | 1,291 |       |       |
| Support    | 1,281 | 1,276 | 1,270 |
| Resistance | 1,297 | 1,294 | 1,291 |

Source: FX EMPIRE

### Highlights

- Gold prices inched up yesterday, after recovering from a more than five-week low
- U.S stocks fell yesterday as investors stayed on the sidelines following a strong rally this year, while the U.S dollar index held steady
- Equities in Asia have given up the gains and that reflects the pressure on risk assets
- The Organisation for Economic Cooperation and Development cut forecasts again for the global economy in 2019 and 2020
- The dollar was nearly flat at 96.871 as gold futures settled, but up 0.4% for the week

### 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 steadied today as lacklustre appetite for riskier assets offered some support to the safe-haven metal, while a firmer dollar curbed gains ahead of European Central Bank's policy meeting due later in the day.
- Spot gold was steady at \$1,286.25 per ounce. U.S gold futures were down 0.1 percent at \$1,286.70 an ounce. The dollar index, which tracks the greenback against major currencies, was holding near its more than two-week high posted earlier in the week.
- There is some support for safe-haven assets. The ECB is expected to slash growth forecasts and is likely to provide its strongest signal yet that fresh stimulus is coming in the form of more cheap loans.
- The next potential for gold is the ECB meeting and if it get a dovish signal it could see gold test that \$1,300 level again. Any addressing of the issues around long-term support programs for bank funding could support gold.
- Gold may keep hovering above a support at \$1,283 per ounce for one or two days, before resuming its downtrend. Weakness in the U.S stock market, meanwhile, provided cover for the mild rebound in gold, though a steady dollar.
- Gold's decline last week of 2.5% marked the sharpest weekly fall since August. Broad risk-on sentiment, which boosted U.S and global stocks, as well as strength in the U.S dollar.
- Gold hit a low of \$1,280.70 on Tuesday, its weakest level since Jan. 25, with prices down more than 4 percent since hitting a 10-month peak on Feb. 20. Investors are awaiting U.S monthly jobs data to be disclosed on Friday.

### 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 fell quite a bit after the inventory numbers came out with a 7 million barrel build. However, it bounced significantly from the \$55.50 level. That's an area that has been massive support, and it looks like it is going to continue to go back and forth and it looks like the 50 day EMA underneath is also offering support but the 200 day EMA above is going to offer a significant amount of resistance. Brent markets were all over the place as well, showing signs of support at the \$65 level underneath and resistance at the 200 day EMA above near \$67.50. That being said, it looks like it is going back and forth in trying to decide whether it can break out to the upside. If it break down below the 50 day EMA, then the market probably goes down to the \$60 level next. If it break out to the upside, the \$70 level features a gap that needs to be filled.

|            |       |       |       |
|------------|-------|-------|-------|
| Pivot:     | 55.80 |       |       |
| Support    | 55.80 | 55.40 | 55.00 |
| Resistance | 57.55 | 57.20 | 56.75 |

Source: FX EMPIRE

### Highlights

- Crude oil futures were mixed yesterday after U.S government data showed an unexpectedly sharp build in crude inventories
- The drop in gasoline supplies helped to offset pressure on crude-oil prices
- A solid bearish build to crude inventories has been offset by some chunky draws to the products
- OPEC and its partners have pledged to curb output by 1.2 million bpd
- Gasoline stocks, however, fell 4.2 million barrels, compared with expectations for a 2.1 million-barrel drop

### 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 edged up today amid ongoing OPEC-led supply cuts and U.S sanctions against exporters Venezuela and Iran, although prices were prevented from rising further by record U.S crude output and rising commercial fuel inventories.
- U.S West Texas Intermediate crude oil futures were at \$56.45 per barrel, up 23 cents, or 0.4 percent, from their last settlement. Brent crude futures were at \$66.36 per barrel, up 37 cents, or 0.6 percent.
- Prices are being supported by efforts led by the OPEC and other countries, a grouping known as OPEC+ to withhold around 1.2 million barrels per day, a strategy designed to tighten markets.
- OPEC's strategy is to rebalance the market as quickly as possible and exit the cuts by the end of June in order to grow production alongside shale producers in the second half of this year.
- U.S sanctions against the oil industries of OPEC members Iran and Venezuela have also had an impact. Despite these factors, oil remains in plentiful supply thanks to surging U.S production.
- U.S crude oil stockpiles rose much more than expected last week, with inventories up by 7.1 million barrels to 452.93 million barrels, according to a weekly report by the U.S Energy Information Administration.
- Meanwhile U.S crude oil production remained at a record 12.1 million bpd, an increase of more than 2 million bpd since early 2018. The balance between rising U.S production and the OPEC+ efforts to stabilize prices with a production cut was broken by higher than expected U.S inventories.

### 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 | 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 consolidated a bit yesterday, as it continue to see a lot of noise in general. This obviously is highly influenced with the US dollar, so if it start to see the US dollar soften a bit, that should help silver overall. The alternate scenario of course is true as well. If the US dollar strengthens, that will be very negative for silver. The \$15 was once major resistance, so it should now be supported. This was the scene of a lot of order flow into the market, and now it is finally retesting this resistance to see if it's going to hold. At this point, the next couple of days should be crucial and give us an idea as to what happens over the next couple of weeks. If it bounce from here, then there is a really good chance that it is looking towards the \$16.00 level again. However, if it break down below the \$14.90 level, it's likely that it will reach down towards the \$14 handle again.

|            |       |       |       |
|------------|-------|-------|-------|
| Pivot:     | 15.16 |       |       |
| Support    | 14.93 | 14.88 | 14.82 |
| Resistance | 15.38 | 15.27 | 15.16 |

Source: FX EMPIRE

### Highlights

- Silver is a much better bargain, it has declined by more than 65% from its 2011 peak
- Spot silver declined 0.3 percent to \$15.07 per ounce, after hitting its lowest level since Dec. 27, at \$15, earlier in the session
- May Comex silver was last down \$0.02 at \$15.085 an ounce
- Silver futures "Due May 15th" rose 0.20% to currently trade at \$15.12 per ounce, with opening at \$15.15 per ounce
- An increasingly dovish U.S interest-rate policy will deliver a weaker dollar

### 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 failed to resume gains in the European market yesterday , which stopped temporarily yesterday, and again dropping under the pressure of the rise of the dollar against a basket of global currencies.
- Silver prices fell 0.2% to trade at \$15.08 an ounce from the opening level of \$15.11 and a high of \$15.15 with a low of \$15.06. Silver prices rose 0.3%, the first gain in five days, ending the longest daily loss series since early February.
- The dollar index rose 0.1% yesterday to continue its sixth consecutive day of gains, approaching the three-week high of 96.93 points recorded earlier in the day, reflecting the continued rise of the US currency against a basket of currencies.
- The rising US currency, supported by positive economic data in the United States, and has boosted investor confidence in the path of growth of the world's largest economy, which also raises the chances for the Fed to increase US interest rates at least once this year.
- Earlier in the day, prices hit a three-month low of \$15.04 per ounce under pressure from the strength of the US dollar. Still, investors are not moving into silver heavily yet, particularly since they do not anticipate a secular downturn in the stock market.
- The precious metal rose sharply in the early part of 2019, climbing to a high of \$16.22 an ounce on Feb. 20, its highest level since June. Since then, however, gold has come under pressure, pulling down silver with it.

### 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

# Commodity News

Thursday, March 07, 2019



## Data Calendar

### Economic Data

| Date         | Time  | Event  | Importance | Actual | Forecast | Previous |
|--------------|-------|--|------------|--------|----------|----------|
| Thurs Mar 07 | 15:00 | EUR Euro-Zone Government Expenditure (QoQ) (4Q)            | Medium     |        | 0.40%    | 0.20%    |
| Thurs Mar 07 | 15:00 | EUR Euro-Zone Gross Domestic Product s.a. (YoY) (4Q F)     | Medium     |        | 1.20%    | 1.20%    |
| Thurs Mar 07 | 17:45 | EUR European Central Bank Rate Decision (MAR 07)           | High       |        | 0.00%    | 0.00%    |
| Thurs Mar 07 | 18:30 | EUR ECB's Draghi Speaks in Frankfurt After Policy Decision | High       |        |          |          |
| Thurs Mar 07 | 18:30 | CAD Building Permits (MoM) (JAN)                           | Medium     |        | -1.50%   | 6.00%    |
| Thurs Mar 07 | 18:30 | USD Initial Jobless Claims (MAR 02)                        | Medium     |        | 225k     | 225k     |
| Thurs Mar 07 | 18:30 | USD Continuing Claims (FEB 23)                             | Medium     |        | 1762k    | 1805k    |
| Thurs Mar 07 | 19:00 | MXN CPI (YoY) (FEB)  | High       |        | 3.94%    | 4.37%    |
| Thurs Mar 07 | 19:00 | MXN Bi-Weekly CPI (FEB 28)                                 | Medium     |        | 0.14%    | -0.10%   |

Source: Forex Factory, DailyFX

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