

Gold

Technical

Gold markets gapped a little bit higher during the trading session yesterday, but then broke down significantly to reach towards the original breakout point that I have drawn on the chart. The market has also found plenty of support in that area that offer a clue as to the overall upward proclivity in this market. That being said, the \$1500 level above is also a massive in its importance and of course will attract a lot of attention. All things being equal, I think that the market will continue to grind towards that level, but I think that the market will have a huge fight on its hands in that region. I think that with the central banks around the world looking to cut interest rates and of course all of the uncertainty around the world with geopolitical and economic concerns, it makes quite a bit of sense that gold should continue to attract a lot of buying pressure.

Pivot:	1,489		
Support	1,474	1,467	1,460
Resistance	1,500	1,508	1,515

Source: FX EMPIRE

Highlights

- Gold prices rose again today after topping the \$1,500 mark yesterday
- Central banks around the world slashed interest rates amidst fears of a global recession
- Chicago Fed President Charles Evans signalled on Wednesday he was open to lowering rates to bolster inflation
- Futures moved to price in a 100% probability of an Fed easing in September
- Central banks in New Zealand, India and Thailand surprised markets with aggressive easings on Wednesday

Gold - Technical Indicators

RSI 14	43.67
SMA 20	1,383.0
SMA 50	1,383.8
SMA 100	1,386.5
SMA 200	1,392.2

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold soared more than 2% in yesterday's trading session to breach the \$1,500 ceiling for the first time in over six years as investors rushed to safe havens, spooked by a host of uncertainties including U.S.-China trade and a slowing global economy.
- Other precious metals, except palladium, latched on to gold's rally, with silver breaking above the \$17 an ounce mark for the first time in more than a year. There are just numerous fundamental reasons behind gold's strength and those are adding to today's extension to the upside over \$1,500. Clearly, safe-haven products have been the stars of the show.
- Spot gold gained 2% to \$1,503.56 per ounce, having touched \$1,510, its highest since April 2013. U.S gold futures climbed 2.4% to settle at \$1,519.60 an ounce.
- Easing monetary policy by central banks, which have also been constantly piling on to their bullion reserves, weak economic readings globally and in addition, the ongoing trade tensions, are fueling gold's run.
- The world's two largest economies have been locked in a bitter trade tussle, which escalated last week when U.S. President Donald Trump said he would impose additional tariffs on Chinese goods.
- On Monday, China responded by allowing its currency to weaken past the 7 per dollar mark, prompting Washington to label Beijing a currency manipulator. Also fueling gold's rally was a slump in U.S. Treasury yields and Wall Street, with the Dow Jones Industrial Average tanking more than 300 points.
- With volatility significantly higher and risk of correction in equities markets growing after pretty nasty several days of sell-offs, gold looks like it is attracting investors at a very rapid rate. Spot gold has sprinted over 19% since touching this year's low of \$1,265.85 in May.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2019	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 broke down significantly during the trading session yesterday, but then turned around to form a bit of a hammer like candle. The \$55 level is of course an area that attract a lot of attention as the WTI Crude Oil market typically moves in five dollar increments. The fact that we have formed a bit of a bounce later in the session suggests that there is at least a bit of fight in this market. At this point, it looks like there is a lot of noise between here and \$51 below, so therefore we could continue to see a bit of a bounce here and there. All things being equal though, it does look like the market is going to favor the downside. In other words, I like selling rallies. Brent markets have broken down a bit during the trading session on Tuesday, reaching towards the crucial \$59 level.

Pivot:	53.50		
Support	53.15	52.80	52.45
Resistance	53.85	54.25	54.75

Source: FX EMPIRE

Highlights

- Oil futures jumped more than \$1 a barrel today, recovering half of the nearly 5% losses in the previous session
- U.S West Texas Intermediate crude futures jumped \$1.51, or 2.96%, to \$52.60 a barrel
- A surprise build in U.S crude inventories added to worries that the China-U.S trade war could further dampen demand
- A weaker U.S dollar has also lent support to the oil price rebound
- The U.S Dollar index has declined 1% since July 31

Crude - Technical Indicators

RSI 14	37.13
SMA 20	56.04
SMA 50	56.50
SMA 100	56.77
SMA 200	57.01

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices tumbled more than 4.5% yesterday to a seven-month low, extending recent heavy losses following a surprise build in U.S. crude stockpiles and fears that demand will shrink due to Washington's escalating trade war with Beijing.
- U.S West Texas Intermediate (WTI) crude futures finished \$2.54, or 4.7%, lower at \$51.09. Brent crude futures settled down \$2.71, or 4.6%, at \$56.23 a barrel, the lowest close since early January. Prices have lost 24.5% since their 2019 peak in April.
- Oil prices fell earlier in the session yesterday on worries about the trade war, then extended losses after government data showed a build of 2.4 million barrels in U.S crude stockpiles last week, instead of the 2.8 million-barrel draw analysts had expected.
- U.S crude oil inventories had declined for seven consecutive weeks prior to last week's build but were still about 2% above the five-year average for this time of year, the U.S Energy Information Administration (EIA) said.
- U.S gasoline inventories rose 4.4 million barrels, and distillates rose 1.5 million, with both fuels in the Gulf Coast region hitting their highest on record for this time of year.
- The stats were a major disappointment to the market with crude and product builds. With refiners increasing their utilization, product supplies are more than adequate as we head into the home stretch of the driving season. The market continues to trade lower on concerns about demand growth and the idea that economic growth can be impacted by the trade war.
- Brent has plunged nearly 14% since last week as global equity markets went into a tailspin after U.S. President Donald Trump said he would slap a 10% tariff on a further \$300 billion in Chinese imports from Sept. 1.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2019	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 gapped a little bit higher during the trading session yesterday, but then turned around to fill that gap before rallying again. Ultimately, the market is bullish in general, due to the fact that there is so much in the way of uncertainty out there, and it gives us more or less a reason to start buying things to protect wealth, which of course precious metals fits quite nicely. Looking at this chart, you can see that there is a lot of resistance above at the \$16.60 level, as we have pulled back from there. We have seen that area tested several times, but if we can break above that level, we could go looking towards the \$17.00 level after that. There is the possibility of short-term pullbacks that offer support at the \$16.00 level. There are multiple central banks around the world looking likely to cut rates, that could of course drive money into precious metals. New buyers tend to come back into this market every time we pull back.

Pivot:	16.76		
Support	16.62	16.54	16.42
Resistance	16.90	17.00	17.20

Source: FX EMPIRE

Highlights

- Silver held steady today, hovering near the key psychological level, supported by uncertainties around the Sino-U.S trade war
- In yesterday's session silver prices soared over 2% for the first time since April 2013
- Chicago Fed President Charles Evans signaled he was open to lowering rates
- The dollar index inched down 0.1% after falling to a two-week low earlier this week
- Platinum was up 0.5% to \$865.84 today in Asian session and palladium climbed 0.7% to \$1,424.64 an ounce

Silver - Technical Indicators

RSI 14	45.92
SMA 20	15.36
SMA 50	15.37
SMA 100	15.41
SMA 200	15.44

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices yesterday surged by the most in nearly three years and gold settled sharply above an important psychological level at \$1,500, amid a round of easy-money policies that helped to stoke fresh appetite for the perceived safety of precious metals.
- The 10-year U.S. Treasury note fall to new lows not seen since 2016 below 1.7%, also helped to drive demand for bullion. September silver surged 75.1 cents, or nearly 4.6%, to end at \$17.196 an ounce in yesterday's session, after gaining or 0.3% on Tuesday, breaching its own psychologically important level above \$17.
- That marks silver's highest level since 2018, and the firmest one-day gain for gold's sister metal one point basis since Sept. 6, 2016 and July 2016 on a percentage basis, according to FactSet data.
- Central bank's in India, New Zealand and Thailand in yesterday's trading session lowered their domestic interest rates to levels that are lower than had been expected, highlighting anxieties centered on the health of the world-wide economy.
- Those policy moves come amid worries that the U.S.-China tariff conflict won't subside soon. An environment with debt yields also hovering at ultra-low levels, and in many cases negative levels, also has supported buying of the yellow metal, which tends to rise during times of global economic uncertainty.
- Lower and negative yields for government debt, because precious commodities don't offer a coupon, have buttressed buying in gold and silver over the past several months, as investors seek places to store capital in a slumping economic backdrop. We are now just starting to see silver and gold buying broaden out to retail, individual investor level. By all historical measures, we should see silver play a phenomenal catch-up trade to gold.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2019	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2019	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2019	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2019	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2019	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Thursday, August 08, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Aug 08	03:04	CNY Trade Balance (JUL)	Medium	\$45.06b	\$42.65b	\$50.97b
Thu Aug 08	05:00	JPY Eco Watchers Survey Current (JUL)	Medium	41.2	43.3	44.0
Thu Aug 08	08:00	EUR ECB Publishes Economic Bulletin	Medium			
Thu Aug 08	12:30	CAD New Housing Price Index (YoY) (JUN)	Medium			0.0%
Thu Aug 08	12:30	USD Initial Jobless Claims (AUG 3)	Medium		215k	215k
Thu Aug 08	12:30	USD Continuing Claims (JUL 27)	Medium			1699k
Thu Aug 08	14:00	USD Wholesale Trade Sales (MoM) (JUN)	Low			0.1%
Thu Aug 08	23:30	AUD RBA's Lowe Semi-Annual Testimony to Committee in Canberra	High			
Thu Aug 08	23:50	JPY Gross Domestic Product Annualized s.a. (QoQ) (2Q)	High		0.6%	2.2%

Source: Forex Factory, DailyFX

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