

## Gold

### Technical

Based on the early price action, the direction of the gold market today is likely to be determined by trader reaction to the downtrending Gann angle at \$1330.50. June comex gold futures are trading higher shortly before the regular session opening. Market is reacting to a weaker U.S Dollar and lower U.S equity prices. The catalyst behind the price action is the retaliation by China to the U.S tariffs on steel and aluminum. The main trend is down according to the daily swing chart. However, momentum has been trending lower since the formation of a closing price reversal top at \$1362.60 on March 27 and the subsequent confirmation. A trade through \$1312.40 will change the main trend to down. A move through \$1362.60 will negate the closing price reversal top and signal a resumption of the uptrend. The main range is \$1247.20 to \$1375.50. Its retracement zone at \$1311.40 to \$1296.20 is support.

Pivot:	1,337		
Support	1,332	1,328	1,321
Resistance	1,346	1,351	1,356

Source: FX EMPIRE

### Highlights

- U.S gold futures eased 0.1 percent to \$1,345.70 an ounce
- The U.S dollar measures the greenback against six other major currencies, was down 0.1 percent
- Gold futures rose sharply yesterday as the dollar struggled then steadied and select stock indexes flirted with correction territory
- Investors returned to fresh developments on the trade-war front, which helped boost demand for haven gold
- U.S dollar has seemed to go up and down almost at random, without regard to risk

### Gold - Technical Indicators

RSI 14	33.74
SMA 20	1,263.6
SMA 50	1,291.6
SMA 100	1,287.1
SMA 200	1,300.1

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices rose slightly after a more than 1 percent gain in the previous session, as mounting global trade tensions fuelled demand for the safe-haven bullion. Sales in March of U.S Mint American Eagle gold fell to their lowest for the month, and silver coins dropped to their lowest in 11 years.
- Spot gold was up 0.1 percent at \$1,341.68 per ounce. SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, said its holdings rose 0.73 percent to 852.31 tonnes on Monday from 846.12 tonnes on Thursday .
- Asian stocks extended a global selloff and the yen rose as investors fled for safety as an escalating trade spat between the United States and China and a renewed slump in tech shares such as Amazon.com sapped investor confidence.
- The White House yesterday accused China of distorting global markets and said the country should not target "fairly traded U.S exports" after Beijing increased tariffs on 128 U.S products in response to U.S duties on imports of aluminum and steel.
- The Trump administration will unveil a list of advanced technology Chinese imports targeted for U.S tariffs to punish Beijing over technology transfer policies, it may intensify trade tensions between the world's two largest economies.
- U.S factory activity slowed in March amid shortages of skilled workers and rising capacity constraints, but growth in the manufacturing sector remains underpinned by strong domestic and global economies.
- Gold futures fell 2.1% last week and ended around 0.3% lower for the month of March. For the quarter and year to date, they were 0.7% higher. Based on the most-active contract settlement of \$1,309.30 at the end of 2017, however, **gold futures were up 1.4% for the first quarter and year to date.**

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

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
12/08/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
12/15/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
12/12/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
12/29/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

Crude oil broke down drastically during trading yesterday, as Bahrain made a major discovery of crude oil in a previously unknown field. This puts more supply into the market eventually and continues to make things bearish for the commodity. The WTI Crude Oil market broke down significantly during the trading session yesterday, slicing through the \$63.50 level. It now looks as if we're going to go looking towards the uptrend line underneath, so Economists saw that although we have a certain amount of negativity in the market, but that it is going to be more or less short-term unless of course we do break down below the uptrend line. If we did, then the next area is going to be the \$60 level that offers support. Rallies of this point in time are selling opportunities. It would take a couple of days of stability for me to feel comfortable buying.

Pivot:	63.19		
Support	62.60	62.00	61.60
Resistance	64.20	64.90	65.30

Source: FX EMPIRE

### Highlights

- Crude oil fell by the most in about 7 weeks as crude follows equities south as it marked their sharpest one-day drop since early February
- A speculation that the Saudis are going to lower prices for their Asian customers
- The trade-war fears also fostered worries about demand for crude
- Persistent weakness in U.S stocks highlighted concerns about future demand as investors reacted to the China tariffs on select U.S imports
- Production cuts by the OPEC and Russia have lifted oil prices in the past year

### Crude - Technical Indicators

RSI 14	31.91
SMA 20	48.72
SMA 50	48.27
SMA 100	51.11
SMA 200	56.32

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices fell by more than 2 percent yesterday, pressured by a rise in Russian production, expectations that Saudi Arabia will cut prices of the crude it sends to Asia and a deepening trade spat between China and the U.S. While investors fretted about a surprise build of stockpiles at key storage port in Cushing, Okla.
- Brent crude fell \$1.70, or 2.5 percent, to settle at \$67.64 a barrel. That was the lowest level since March 21. U.S crude lost \$1.93, or 3 percent, to settle at \$63.01, its lowest since March 20. Saudi Arabia was expected to cut prices for all crude grades it sells to Asia in May to reflect weaker prices for its Middle East benchmark Dubai crude.
- An escalation of the dispute between the world's biggest economies, China increased tariffs by up to 25 percent on 128 U.S products. Increasing trade friction between China and the U.S. is likely to rock global markets and tarnish bullish sentiment in crude oil markets.
- Brent crude reached a 2018 high of \$71.28 in January but has since struggled to pass that level. Two rallies last week ran out of steam just beyond \$71, a chart pattern known as a double top, which is usually bearish. Another bearish factor is Bahrain's discovery of its largest oilfield in decades.
- Rising U.S crude production has also limited price gains, while output rose by 6,000 bpd in January to 9.964 million bpd. U.S crude stocks in Cushing, Oklahoma, are now close to their minimums, which means that inventory data this week might show a build that would be bearish for prices.
- The Chinese Finance Ministry said in a statement that the previously announced tariffs on the imports of American goods would take effect. Penalties range from 25% on American pork and eight other kinds of goods to 15% on fruit and 120 types of commodities. Despite the supply cut agreement, Russian output rose in March to 10.97 million bpd from 10.95 million bpd in 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	
12/01/2017	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
12/08/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
12/15/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
12/12/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
12/29/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

## Silver

### Technical

Silver markets broke higher during the trading session on Monday, as we continue to see a lot of “risk off” trading in general. Economists believe that this market is going to stay within the longer-term consolidation, but that doesn’t mean that we won’t get significant moves in the meantime. Silver markets rallied significantly yesterday as tensions continue to be a problem when it comes to the geopolitical situation. If the market participants continue to fear a trade war, and tension certainly seem to be escalating, we will probably continue to see Silver get bid on dips. It doesn’t mean that we are ready to break out of the larger consolidation yet, which might have a major support level at the \$15.50 level, and resistance at the \$18.50 level. The \$16.25 level underneath continues to be supportive, that every time we pull back it’s likely a nice buying opportunity.

Pivot:	16.54		
Support	16.44	16.35	16.20
Resistance	16.68	16.80	16.96

Source: FX EMPIRE

### Highlights

- silver coins dropped to their lowest in 11 years
- Silver coin sales were 43.3 percent lower than the year prior, when 1.6 million ounces were sold
- March American Eagle silver coin sales dropped 36 percent from the first quarter of 2017, when close to 8 million ounces were sold
- European bonds followed Treasuries lower. The euro rose, and the New Zealand dollar and Norway’s krone had the biggest gains
- Economies and markets are opposing forces, economy sees Fed versus inflation and markets sees momentum versus fundamental supports

### Silver - Technical Indicators

RSI 14	37.92
SMA 20	16.60
SMA 50	17.09
SMA 100	17.05
SMA 200	16.83

Source: FX EMPIRE

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Market was responding to sliding US yields, with 2-year Treasuries dropping to just 2.25 percent and 10-year yields falling to 2.73 percent, as well as a sharp selloff in equity markets, higher volatility and a rise in geopolitical risk.
- Along with a very flat yield curve and modest long exposure suggests that the metal has some upside as it has been bucking that well established relationship over the last little while.
- Market will be in focus especially since China has launched its first counterattack against the U.S by announcing tariffs on 128 American goods, ranging from frozen pork to wine and nuts. The Middle Kingdom's recent retaliation against U.S steel and aluminum tariffs, although largely expected, has again raised concerns over the prospects of a tit-for-tat trade war.
- Recent market volatility has also dampened coin investor’s interest as markets went up as escalators and came down like elevators and cash conservations ensued.
- However, silver coin sales during the first quarter of the year more than doubled from the same period in 2017, when 2.2 million coins were sold. While February silver coin sales were the lowest since 2008.
- Stocks in Europe fell as markets reopened after the long weekend, resisting the intensity of the selloff seen in the U.S yesterday but still under pressure amid the tech rout and simmering global trade tensions. The U.S dollar slipped against most major peers, while Treasuries dropped.
- After the worst three months for global stocks in more than two years, the second quarter has started on the back foot as trade tensions fester and technology shares get slammed. The risk-off mood comes as investors prepare for earnings season.

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	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/08/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/15/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/12/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
12/29/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Tuesday, April 03, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tues April 03	04:50	JPY Monetary Base (YoY) (MAR)	Medium	9.1%		9.4%
Tues April 03	05:00	AUD CoreLogic House Px (MoM) (MAR)	Low	-0.2%		-0.3%
Tues April 03	09:30	AUD RBA Cash Rate Target (APR 3)	High	1.50%	1.50%	1.50%
Tues April 03	11:00	EUR German Retail Sales (YoY) (FEB)	Medium	1.3%	2.4%	2.3%
Tues April 03	12:15	CHF Retail Sales Real (YoY) (FEB)	Medium	-0.2%		-0.4%
Tues April 03	12:30	CHF PMI Manufacturing (MAR)	Medium	60.3	64.3	65.5
Tues April 03	13:30	GBP Markit UK PMI Manufacturing s.a. (MAR)	Medium	55.1	54.7	55.0
Tues April 03	18:30	USD Fed's Kashkari Speaks at Regional Economic Forum	Low			
Tues April 03	20:30	USD U.S. to Sell 4-Week Bills	Low			

Source: Forex Factory, DailyFX

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