

## Gold

### Technical

Gold markets rallied during the week, breaking above the top of the shooting star from the previous week. This is a very bullish sign, and I believe that we are ready to continue going higher. My initial target is \$1300, but I think it will take a certain amount of momentum to get there. This means that we will probably be relatively choppy, but I think the upward bias is here for a while. I expect the \$1250 level to offer significant short-term support. I have no interest in selling. Gold prices attempted to move higher in the wake of the missile attacks on Syria, but it was unable to hold elevated levels. Prices of the yellow metal surged above resistance near the 200-day moving average to a fresh 6-month high near 1,270, but finished the Friday trading session at 1,254, below the 200-day moving average at 1,256. Support gold prices is seen near the 10-day moving average at 1,252.

Pivot:	1,253		
Support	1,249	1,244	1,240
Resistance	1,256	1,259	1,262

### Highlights

- Gold prices ticked up slightly in early Asian session with geopolitical tensions in focus
- Concerns linger over a missile strike on a Syrian airbase last week remain
- Gold for June delivery settled rose 0.04% to \$1,256.45 a troy ounce on the Comex division of the New York Mercantile Exchange
- Fed Chair is scheduled to speak at the University of Michigan with investors looking for fresh cues on the timing of the U.S rate hike
- Gold prices retreated on Friday as the stronger dollar weighed on the metal

### Gold - Technical Indicators

RSI 14	46.37
SMA 20	1,245.2
SMA 50	1,239.3
SMA 100	1,198.5
SMA 200	1,255.8

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold held steady today, buoyed as growing geopolitical tensions continued to drive safe-haven demand. Top aides to U.S President differed on Sunday on where U.S policy on Syria was headed after last week's attack on a Syrian air base, while U.S Secretary of State Rex Tillerson warned the strikes were a warning to other nations, including North Korea.
- Spot gold was mostly unchanged at \$1,253.86 per ounce, while U.S. gold futures had dropped 0.2 percent to \$1,255.40. The dollar index today rose as much as 0.15 percent to over 3-week highs at 101.340.
- Somehow gold is keeping its \$1,200-\$1,250 range intact even though it keeps rising and falling. I don't think it can have a further upside as even though the (U.S. interest) rate hike expectations have come down; the direction of hikes and monetary tightening are quite clear.
- The U.S. Federal Reserve might in the future avoid raising interest rates at the same time that it begins the process of shrinking its \$4.5 trillion bond portfolio, prompting only a "little pause", New York Fed President William Dudley said on Friday.
- The U.S. Fed's rhetoric on balance sheet contraction, the strengthening dollar, declining credit growth and inflation expectations, are all negative for gold. The technical picture suggests a correction is imminent, albeit within a larger bull market as gold is going to rise with inflation repression picking up on a longer term-perspective.
- Spot gold hit its highest since Nov. 10 at \$1,270.46 on Friday and crossed the 200-day moving average. But, it failed to close above that key resistance level, making it difficult to move higher. Bullish sentiment on gold was also underpinned by U.S. Commodity Futures Trading Commission data that showed speculators raising their net long position in COMEX gold for the third straight week in the week to April 4.

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

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

The WTI Crude Oil market rallied during the week, breaking above the \$52 level. However, there is a lot of resistance just above, and I believe this week will be one of the most important ones in this market. Because of this and all the moving parts, it's probably easier to trade this market off short-term charts. Ultimately, a break above the top of the weekly candle should send this market to the \$55 level. A breakdown below the \$50 level would be very negative and should send this market down to the \$47 level. This is probably going to be one of the more difficult markets to trade longer-term currently. Momentum as reflected by the RSI, broke out to a new trading, which reflects accelerating positive momentum which points to higher prices on a daily basis. The current reading on the RSI is 61, which is on the upper end of the neutral range but below the overbought trigger level of 70.

Pivot:	52.53		
Support	51.80	51.31	50.75
Resistance	52.95	53.38	53.75

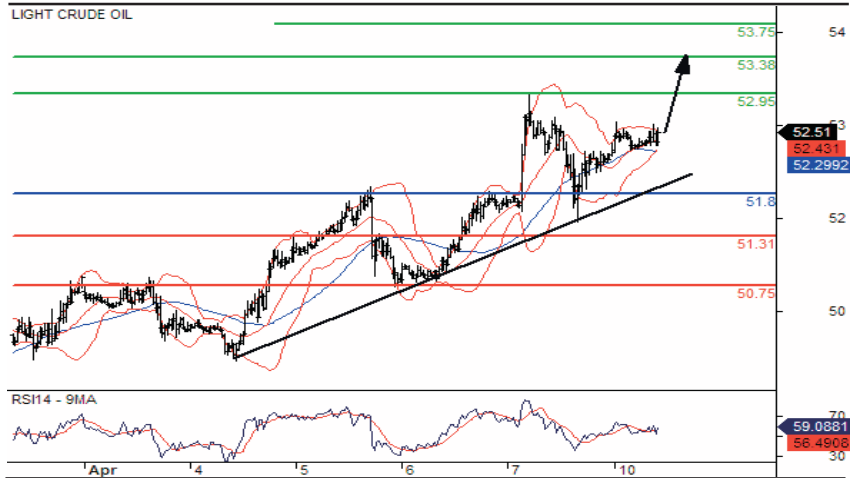
### Highlights

- Oil headed for its longest run of gains this year as Libya's biggest oil field was said to have suffered another outage
- Futures gained for a fifth day in New York after advancing 3.2 percent last week
- Libya's Sharara field stopped producing just one week after it reopened
- Support from some members of the OPEC to extend the curbs has sparked a rally above \$50 a barrel
- West Texas Intermediate for May delivery rose as much as 38 cents to \$52.62

### Crude - Technical Indicators

RSI 14	43.33
SMA 20	53.59
SMA 50	53.12
SMA 100	51.31
SMA 200	48.72

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil rose further above \$55 a barrel today, supported by another shutdown at Libya's largest oilfield and heightened tension over Syria following the U.S. missile strike.
- Libya's Sharara oilfield was shut on Sunday after a group blocked a pipeline linking it to an oil terminal, a Libyan oil source said. The field had only just returned to production, after a week-long stoppage ending in early April. It means that at least one potential source of additional supply has fallen away for the time being.
- Brent crude, the global benchmark, rose 48 cents to \$55.72, not far from the one-month high of \$56.08 reached on Friday. U.S. crude was up 37 cents at \$52.61.
- Oil also climbed on heightened tension in the Middle East, a region that is home to more than a quarter of the world's oil output. Crude rallied last week after the United States fired missiles at a Syrian government air base.
- The developments in Syria should be factored in as an additional risk premium in the oil price going forward, especially now that oil inventories are drawing down and the market is no longer in massive surplus.
- Libya's Sharara field was previously shut for a week until April 2. The OPEC state has been pumping a fraction of potential output for most of the time since the 2011 civil war because of conflict and unrest.
- Oil prices have also been supported by a deal led by the Organization of the Petroleum Exporting Countries to cut output by 1.8 million barrels per day for the first six months of 2017. Libya, and another OPEC member Nigeria, are exempt from cuts. U.S. drillers added oil rigs for a 12th straight week, Baker Hughes said on Friday, as energy companies boost spending on new production.

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

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

## Silver

### Technical

Silver markets had a slightly positive week as we continue to test the \$18.50 level. This is an area that has caused a considerable amount of resistance, so if we can break above the top of the candle for the week, I feel that this market will continue to go much higher. Pullbacks should be supported near the \$18 level as it has been rather reliable support recently. I feel that the market is priming to break out to the upside, but it obviously has some work to do. A break above there could be a buying opportunity, as it would show continued strength. At this point, I believe the pullbacks continue to offer buying opportunities in a market that is clearly supported. I have no interest in shorting, I believe that the \$18 level below will be a bit of a floor in this market, so I am bullish overall. I expect volatility, but that is typical in silver markets anyway.

Pivot:	17.93		
Support	17.84	17.76	17.67
Resistance	18.03	18.11	18.19

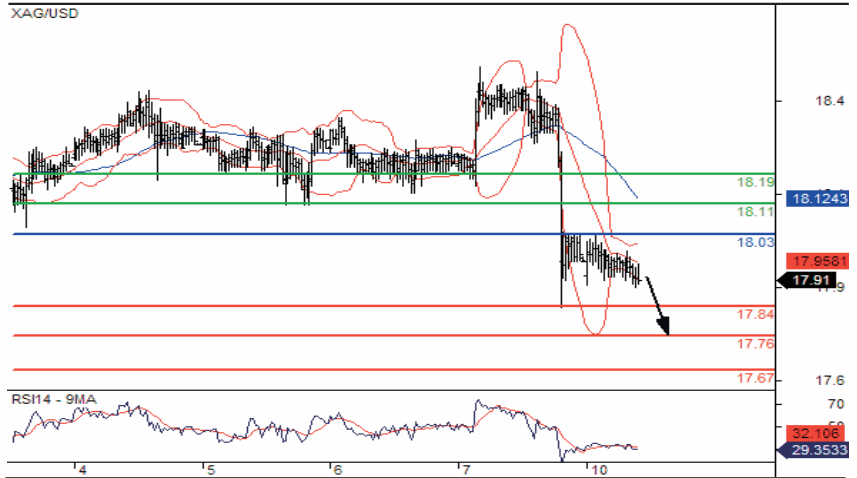
### Highlights

- Silver prices retreated on Friday as the stronger dollar weighed on silver
- Prices surged early Friday after the U.S launched cruise missile strikes on a Syrian air base
- The Labor Department reported on Friday that the U.S economy added just 98,000 jobs last month
- The dollar was boosted after Fed President William Dudley plans to trim the Fed's balance sheet later this year
- Silver was down 1.39% at \$17.99 a troy ounce late Friday

### Silver - Technical Indicators

RSI 14	46.12
SMA 20	18.04
SMA 50	17.48
SMA 100	17.12
SMA 200	18.11

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- There was some volatility in silver prices during the NFP report today but a sharp drop that followed the European close has broken XAG/USD below a rising channel on an hourly chart and has taken it into negative territory for the day.
- USD/JPY has shown similar price action after the European close with an abrupt break above a declining trendline that held the pair lower since late March.
- US equity markets advanced following an initial drop after the US jobs report. The S&P 500 is seen turning back into positive territory and is threatening resistance that has held the index lower for the entire week on a daily basis.
- The bulk of the decline in Silver prices took place in two hours and has taken the instrument into negative territory for the day and week. The daily print will be important as prices are currently trading below the 200-period daily moving average which resides at \$18.05.
- Gold prices have performed better than Silver today but a similar decline has wiped out early day gains as XAU/USD was last seen trading relatively unchanged on the day at \$1251 after reaching a high earlier today of \$1270.
- There has been a small recovery following the momentum driven decline in Silver prices with an attempt to regain the \$18.00 handle. The price point is seen as pivotal for a near-term directional bias. In the absence of a recovery back above the level, prices remain at risk for a further decline.
- The daily print will be important as there is potential for a bearish engulfing print after eight sessions of consolidation. In the event of a daily close near current levels, rallies in the upcoming week are likely to remain short-lived with the next downside target at \$17.71. The level was first respected in May 2015 and has impacted Silver prices on several occasions since.

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

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Monday, April 10, 2017



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Apr 10	04:50	JPY Trade Balance - BOP Basis (Yen) (FEB)	Medium	¥1076.8b	¥981.7b	-¥853.4b
Mon Apr 10	05:00	JPY BOJ Kuroda speaks at BOJ's Branch managers' meeting	High			
Mon Apr 10	06:30	AUD Home Loans (FEB)	Low	-0.5%	0.0%	0.4%
Mon Apr 10	08:05	USD Fed's Bullard Speaks in Australia	Low			
Mon Apr 10	09:00	JPY Bankruptcies (YoY) (MAR)	Medium	5.36%		-4.84%
Mon Apr 10	13:00	CHF Total Sight Deposits CHF (APR 07)	Low	564.1b		561.7b
Mon Apr 10	13:30	EUR Euro-Zone Sentix Investor Confidence (APR)	Low	23.9	21.0	20.7
Mon Apr 10	17:15	CAD Housing Starts (MAR)	Medium		215.5k	210.2k
Mon Apr 10	19:00	USD Labor Market Conditions Index Change (MAR)	Medium			1.3

Source: Forex Factory, DailyFX

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