

Gold

Technical

Gold futures are trading lower, but inside yesterday's range. This indicates investor indecision and impending volatility. Investors have a lot to watch at this time including the French election, tensions over North Korea, U.S. Treasury yields, the U.S. Dollar and U.S. equity markets. All of these have factored at one time or another into this week's price action. The main trend is up according to the daily swing chart. Momentum appears to be trying to shift to the downside. A trade through \$1297.40 will signal a resumption of the uptrend. The trend won't turn down unless \$1248.20 is taken out, however, taking out \$1274.50 could trigger a break into the next support zone. The main range is \$1248.20 to \$1297.40. Its retracement zone at \$1272.80 to \$1267.00 is the primary downside target. The new short-term range is \$1297.40 to \$1275.40. Its 50% level or pivot is \$1286.40.

Pivot:	1,281		
Support	1,277	1,273	1,271
Resistance	1,286	1,289	1,292

Highlights

- Gold prices fell for a second straight session yesterday even as the dollar eased
- Five-day run had driven the safe-haven precious metal to five-month highs that failed to clear the closely watched \$1,300 mark
- June gold slipped a narrow \$1.10, or 0.1%, to \$1,282.30 an ounce
- Data showed a reduction in a reading on Philadelphia area manufacturing
- Fed released its largely upbeat Beige Book, a report that support calls for interest-rate hikes this year

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



Fundamentals

- Gold prices held firm on Thursday after falling as much as 1 percent the previous day, with tensions surrounding North Korea and the upcoming French presidential election driving safe-haven demand.
- Spot gold was mostly unchanged at \$1,278.74 per ounce. The metal fell 0.8 percent on Wednesday in its worst one-day drop in over a month. Sentiment overall is that everybody is looking for \$1,300 at least by the end of the week. Sentiment around geopolitical issues is really playing on people's minds.
- We are seeing a lot more physical purchasing, with shops seeing a 100-percent increase in buying from the retail sector. This clearly shows the pull back is an opportunity (to buy gold before it climbs above \$1,300).
- Analysts and traders said gold would be supported by simmering geopolitical tensions around North Korea and nervousness ahead of the first round of France's presidential election.
- With this weekend's French Presidential vote event risk, it is hard to see gold forming a meaningful correction to the downside before next week at the earliest.
- Safe-haven buying should continue to support any dips. Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 1.39 percent on Wednesday, their biggest one day gain since early September 2016. Holdings climbed nearly 12 tonnes from Tuesday to 860.76 tonnes. Physical buying has been prominent on the continent.
- The U.S. Dollar Index fell 0.2% to 99.60. Gold and the dollar broke their typically inverse relationship. A stronger dollar dulls the appeal of dollar-pegged assets for investors using other currencies. Gold remains steady, as traders are reluctant to short the market ahead of this weekend's first round of French elections.

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

Crude oil is trading higher and inside yesterday's range. The price action suggests investor indecision and impending volatility. Despite the rebound from yesterday's sell-off, investors are still worried about the supply glut. The main trend is up according to the daily swing chart. Momentum has been trending lower since the formation of the closing price reversal top on April 12 at \$54.14. The main range is \$47.58 to \$54.14. Its retracement zone at \$50.86 to \$50.09 is the primary downside target. This zone was hit on Wednesday when the market traded down to \$50.51. Based on the current price at \$51.36 and the earlier price action, the direction of crude oil today is likely to be determined by trader reaction to the 50% level at \$50.86. A sustained move over \$50.86 will mean buyers have returned to defend the 50% to 61.8% zone.

Pivot:	50.86		
Support	50.50	50.50	49.85
Resistance	51.11	51.45	51.80

Highlights

- U.S oil futures reversed course today after threatening to crack \$50 per barrel
- With just weeks to go before OPEC and other producers have to sign off on a new deal to hold down production
- That tug of war in the mind of the market is bullish OPEC cuts, bearish U.S. recovery. That's still the market driver
- If oil breaks \$50 here, I think it's going to be going to center stage
- U.S inventory data showed an increase in U.S oil production to near 9.3 million barrels a day

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 fell to a two-week low on Wednesday, after a surprising build in U.S. gasoline inventories and a rise in domestic crude output that is partially offsetting cutbacks by other countries trying to reduce a global glut.
- U.S. crude futures settled down \$1.97 to \$50.44 a barrel, a 3.8 percent drop, the biggest one-day decline since March 8. Brent crude settled down 3.6 percent, or \$1.96 a barrel, to \$52.93.
- U.S crude stocks fell 1 million barrels in the latest week, the U.S. Energy Information Administration said, a smaller draw than expected. Gasoline stocks posted a counter-seasonal build of 1.5 million barrels, despite heavier refining activity.
- The surprise gasoline build, along with an increase in U.S. production and imports from OPEC nations, pressured prices. Weekly imports from OPEC nations rose by 900,000 barrels, the EIA said.
- The global crude glut has persisted even as the Organization of the Petroleum Exporting Countries and other producing countries have worked to reduce output almost 1.8 million barrels per day in the first half of 2017. Rising U.S. production levels are offsetting more than a third of the six-month agreement of the 1.8 million barrel-per-day cut.
- U.S. production rose to 9.252 million barrels a day in the latest week, highest since August 2015. Andrew Lipow, president of Lipow Oil Associates in Houston, said some in the market were concerned about the rapid recovery in shale production.
- Expectations for tighter supply boosted front-month futures contracts earlier this year against later-dated contracts. That trend has reversed. On Wednesday, front-month Brent was 53 cents cheaper than the next month yesterday; it was 29 cents at the beginning of the month.

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 fell a bit during the day on Wednesday, testing the \$18 level for support. This is an area that has a certain amount of psychological significance, so obviously, a bit of a bounce could be coming. On top of that, we have a nice, strong, uptrend during the day. The market looks as if we are going to try to reach towards the \$18.50 level, and then the \$19 level after that. Ultimately, the market might be choppy, but I still believe the buyers return repeatedly. It is not until we make a fresh, new low that I would even consider selling. As long as gold stays beneath we look for silver to struggle, as it too is also trading beneath resistance, although it's of less significance. After popping above the late-Feb high on a couple of occasions in recent trade we are seeing sellers step in. The retracement has brought into play the trend-line off the March low.

Pivot:	18.13		
Support	18.05	17.98	17.88
Resistance	18.29	18.35	18.42

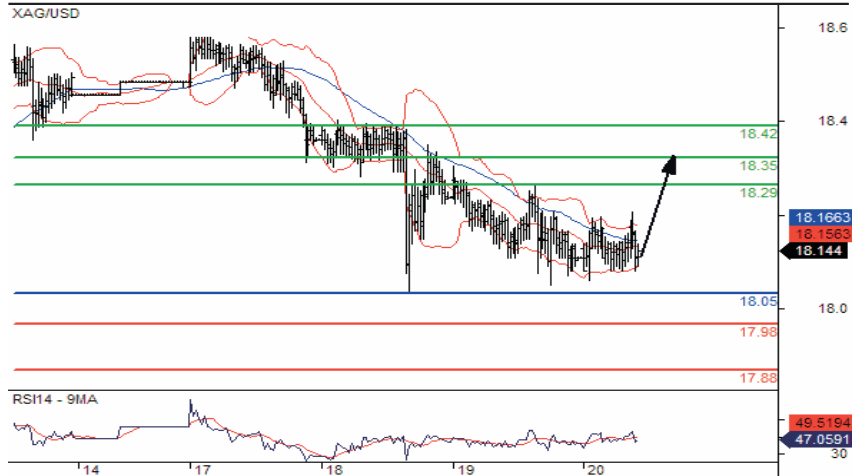
Highlights

- Silver prices declined yesterday, falling in lockstep with other precious metals
- Investors eyed economic data and corporate earnings amid mounting geopolitical risks
- May silver futures fell 8 cents, or 0.4%, to \$18.20 a troy ounce. Prices fluctuated within a daily range of \$18.15 and \$18.33
- The U.S dollar rose for only the second time in eight sessions, gaining 0.2% against a basket of other major currencies
- The pound extended its gains yesterday, climbing 0.1% to 1.2857

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

- Silver prices were little changed today, as risk-off bets cooled amid a bevy of corporate earnings results. May silver futures consolidated at \$18.17 a troy ounce, little changed from the previous close.
- The futures contract traded within a narrow range of \$18.11 and \$18.22 through the overnight session. Gold prices also hovered near one-week lows following a sharp correction the previous session. The June futures contract was last down \$3.20, or 0.3%, at \$1280.20 a troy ounce.
- The U.S. dollar was back on the defensive Thursday, pressured by a stronger pound. The dollar index, a weighted average of the greenback against a basket of six other major currencies, slipped 0.1% to 99.62.
- The pound rose 0.2% to 1.2804 U.S. Sterling spiked at the start of the week after U.K. Prime Minister Theresa May announced a snap parliamentary election scheduled for June 8.
- Precious metals have been well supported in recent weeks by escalating geopolitical tensions over North Korea and looming French elections. These factors will continue to influence investor sentiment heading into next week.
- Corporate earnings are also on the radar, with several Dow Jones blue-chips scheduled to report next week. The Dow Jones Industrial Average fell triple digits on Wednesday after technology juggernaut IBM Corp reported another quarter of year-over-year revenue declines.
- U.S. equity futures were trading higher in pre-market activity, pointing to a positive start to the day on Thursday. European stocks were little changed through the midday. In Asia, the Nikkei 225 finished flat. China's Shanghai Composite Index was also unchanged. Investors will turn their attention to spate of PMI releases in the second half of the week. U.S Treasury Secretary Steven Mnuchin is also scheduled to deliver a speech today.

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

Thursday, April 20, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Apr 20	03:45	NZD Consumer Prices Index (YoY) (1Q)	High	2.2%	2.0%	1.3%
Thu Apr 20	04:50	JPY Merchandise Trade Balance Total (Yen) (MAR)	Medium	¥614.7b	¥608.0b	¥813.5b
Thu Apr 20	11:00	EUR German Producer Prices (YoY) (MAR)	Low	3.1%	3.2%	3.1%
Thu Apr 20	17:00	USD Fed's Powell Speaks on Economic Growth And Capital Markets	Low			
Thu Apr 20	17:30	USD Initial Jobless Claims (APR 15)	Medium	244k	240k	234k
Thu Apr 20	17:30	USD Continuing Claims (APR 08)	Medium	1979k	2024k	2028k
Thu Apr 20	17:30	USD Philadelphia Fed Business Outlook (APR)	Medium	22.0	25.5	32.8
Thu Apr 20	19:00	EUR Euro-Zone Consumer Confidence (APR)	Medium		-4.8	-5
Thu Apr 20	19:00	USD Leading Indicators (MAR)	Medium		0.2%	0.6%

Source: Forex Factory, DailyFX

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