

Gold

Technical

Gold markets were a bit choppy during the trading session on Monday, as we continue to see a lot of noise. The \$1325 level above is massive resistance, and I think it's only a matter of time before we break above there. However, in the short term we are starting to see a bit of US dollar strength, and that works against the value of gold in general. We continue to pull back slowly, and occasionally, offering a bit of value. If you add to your goal position slowly, you can ride out a lot of the volatility that is inherent in this market. I would direct your attention to the gap just above the \$1300 level, because I think that is the most important sign of bullishness on the chart. The \$1325 level above is going to continue to offer resistance, but it has been broken before, and it certainly will be broken again. With Monday being a bit of a "risk off" situation and the US dollar rallied.

Pivot:	1,317		
Support	1,313	1,310	1,306
Resistance	1,322	1,326	1,330

Source: FX EMPIRE

Highlights

- Gold dipped yesterday, retreating from last week's three-and-a-half month high
- The Dollar clawed back some ground against the buoyant euro
- Investors bet on further US rate hikes in 2018 after Friday's jobs data
- San Francisco Fed president John Williams said on Saturday that the Fed should raise rates three times in 2018
- Gold is highly sensitive to rising U.S interest rates, as these increase the opportunity cost of holding non-yielding bullion

Gold - Technical Indicators

RSI 14	40.50
SMA 20	1,241.7
SMA 50	1,253.8
SMA 100	1,256.1
SMA 200	1,272.2

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices inched down today in Asian trading session amid expectations for more US interest rate hikes this year. Spot gold was down 0.2 per cent at \$1,317.86 an ounce. Last week, prices touched their strongest since Sept. 15 at \$1,325.86.
- US gold futures were down 0.1 per cent at \$1,318.80 an ounce. The dollar hit a more than one-week high against a basket of other major currencies on Monday. It was steady at \$92.342 earlier today.
- Investors are betting on further US interest rate hikes after Friday's payrolls data did nothing to challenge the outlook for monetary policy tightening by the US Federal Reserve.
- Atlanta Fed President Raphael Bostic, who is a voting member of the central bank's policy board, said on Monday that two hikes might be needed in 2018, in light of weak price pressures.
- Gold will be under pressure in the short term as the dollar will strengthen on US tax reforms and rate hike expectations. However, the market will get used to the rate hike expectations soon and the dollar will lose its strength, pushing gold higher.
- We can expect prices to go past 2017 highs in the second half of 2018. Gold is highly sensitive to rising US interest rates, as these increase the opportunity cost of holding non-yielding bullion, while boosting the dollar, in which it is priced.
- Spot gold may test resistance at \$1,329 per ounce, as suggested by a Fibonacci retracement analysis and a triangle, according to Reuters technical analyst Wang Tao. Gold should see resistance at the recent low of \$1,315 and the psychological \$1,300 level below that.

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 went sideways during the day on Monday, but are starting to reach towards the uptrend line. The market looks likely to find buyers soon, perhaps in concert with the US dollar falling. After all, it was a bit stronger during the day on Monday, so it makes sense for oil to drift a little bit lower as well. If we do break down below the uptrend line, I think that the market is going to go looking for the \$60 region. That's an area that will be even more supportive in my estimation as it is a large, round, psychologically significant number. Brent markets went sideways overall during the day on Monday, but are approaching an uptrend line that should be important. I think that the \$67.50 level should be important as well, as it has offered support several times over the last 48 hours, and of course has offered resistance as recently as last week.

Pivot:	62.13		
Support	61.65	61.10	60.70
Resistance	62.55	63.00	63.35

Source: FX EMPIRE

Highlights

- Oil extended gains above \$62 a barrel before U.S government data
- Data forecast to show crude stockpiles declined for an eighth week
- Political tensions simmer in Iran, OPEC's third-biggest producer
- Futures added as much as 1.3 percent in New York to the highest intraday level in almost three years
- U.S. inventories probably fell by 3.75 million barrels last week, according to a Bloomberg survey

Crude - Technical Indicators

RSI 14	35.97
SMA 20	48.63
SMA 50	46.94
SMA 100	47.24
SMA 200	50.86

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- U.S oil prices hit their highest since 2015 again as speculators bet on further price rises amid OPEC-led production cuts and a dip in American drilling activity, though some warned the rally could run out of steam.
- U.S. West Texas Intermediate (WTI) crude futures were at \$62.16 a barrel - 43 cents, or 0.7 percent, above their last settlement. They earlier matched a May-2015 high of \$62.56 a barrel.
- Beyond equaling that 2015 high, which was a short intra-day spike, Tuesday's peak was the strongest level for WTI since December, 2014, at the start of the oil market slump.
- Brent crude futures were at \$68.11 a barrel, 33 cents, or 0.5 percent, above their last close. Brent touched \$68.27 level in the last week, its highest since May, 2015.
- Investors said prices were mainly being driven by speculative money being poured into crude futures on the notion of a tighter market following a year of production cuts led by the Organization of the Petroleum Exporting Countries (OPEC) and Russia, which are set to last through 2018.
- Speculators continued to increase their net long in ICE Brent ... According to exchange data, speculators increased their position by 4,175 lots to leave them with a record net long of 565,459 lots.
- A slight dip in the amount of rigs in the United States drilling for new oil was supporting WTI. The number of rigs drilling for oil fell by 5 to 742 in the week to Jan. 5, according to oil services firm Baker Hughes.
- The U.S. rig-count remains significantly above the low of 316 in June, 2016, and U.S. crude output is expected to break through 10 million barrels per day soon, hitting a level that only Russia and Saudi Arabia have achieved so far.

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 rolled over during the trading session on Monday as the US dollar gained in strength. It might be a bit of a short-term phenomenon though, as the \$17 level should offer support. I believe that this market is eventually going to find reasons to go higher, as a break above the \$17 level was of course important. Even if we break down below there, there is a gap that extends down to the \$16.90 level, so it's not until we break down below there that I am concerned about the bullishness of silver. I suspect that at the first sign of a bounce, traders will come back in and push silver towards the \$17.25 level above, which has been resistance. I think given enough time, we will break above there and go looking towards the \$17.50 level. Longer-term, I think we go even farther, perhaps to the \$18 level and beyond. I believe in the strength of silver longer-term.

Pivot:	17.08		
Support	17.01	16.95	16.87
Resistance	17.18	17.27	17.36

Source: FX EMPIRE

Highlights

- Silver prices were trading on a flat note on account of subdued demand for the precious metal from jewellers, retailers and investors
- The U.S dollar hit a more than one-week high against a basket of other major currencies yesterday
- Investors are betting on further U.S interest rate hikes
- Spot silver prices fell 0.3 percent to \$17.08 an ounce
- The market seems to be getting used to the rate hike expectations

Silver - Technical Indicators

RSI 14	87.17
SMA 20	16.70
SMA 50	16.89
SMA 100	16.71
SMA 200	16.82

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices were ending the U.S. day session modestly weaker Monday. Some profit-taking and chart consolidation were featured in both metals, after recent good gains.
- A higher U.S. dollar index on this day also worked against the precious metals market bulls. February Comex gold was last down \$2.30 an ounce at \$1,320.10. March Comex silver was last down \$0.135 at \$17.15 an ounce.
- U.S. stock indexes were higher and hit new record highs yesterday, which was also a negative for the competing asset class, precious metals. There were no major news developments yesterday or over the weekend to significantly impact the marketplace.
- The US December non-farm payrolls report on Friday was weaker than expected, but investors reckoned the US Federal Reserve would still raise interest rates multiple times this year, although at a gradual pace.
- Gold and silver prices are highly sensitive to rising U.S. interest rates, as they increase the opportunity cost of holding non-yielding bullion, while boosting the dollar, in which it is priced.
- The dollar's index against a basket of six major currencies rose 0.2 percent to 92.155 on Monday, up from its Jan. 2 low of 91.751, which was its weakest level since Sept. 20.
- The precious metal price in global and domestic markets stood flat on insignificant demand from investors and hedgers. Gold and silver Futures speculation and short term buying kept prices away from any fall.
- The trading activity in physical all over on a globe remained future-speculation based as market players remained busy in paper work on inventories for future dealings.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2018	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Tuesday, January 09, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Jan 09	01:00	USD Consumer Credit (NOV)	Medium	\$27.951b	\$18.000b	\$20.532b
Tue Jan 09	05:00	JPY Labor Cash Earnings (YoY) (NOV)	Medium	0.9%	0.6%	0.2%
Tue Jan 09	05:00	JPY Real Cash Earnings (YoY) (NOV)	Medium	0.1%	-0.1%	-0.1%
Tue Jan 09	10:00	JPY Consumer Confidence Index (DEC)	Medium	44.7	45.0	44.9
Tue Jan 09	11:45	CHF Unemployment Rate (DEC)	Medium	3.3%	3.2%	3.1%
Tue Jan 09	12:00	EUR German Industrial Production n.s.a. and w.d.a. (YoY) (NOV)	Medium		4.0%	2.7%
Tue Jan 09	12:00	EUR German Trade Balance (NOV)	Medium	23.7b	21.2b	18.9b
Tue Jan 09	13:15	CHF Retail Sales Real (YoY) (NOV)	Medium	-0.2%		-2.6%
Tue Jan 09	16:00	USD NFIB Small Business Optimism (DEC)	Low		108	107.5

Source: Forex Factory, DailyFX

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