

Gold

Technical

Gold markets initially fell during the trading session yesterday, reaching down to the \$1250 level, an area that has been important several times. Economists believe that the market will eventually find buyers to push higher, but it would also point out that it had recently broke down below a significant uptrend line. Market players believe that longer-term it will go much higher, but right now it's likely that it will continue to see a lot of volatility. This makes sense, because the Forex markets are all over the place, and of course the US dollar has been a major driver of where gold goes. If it do break down below the lows of the day, then it is looking towards \$1240 level, and could go as low as the \$1200 level underneath, which is massive support. Gold will continue to be a short-term traders market overall, with about every \$10 offering support and resistance.

Pivot:	1,250		
Support	1,247	1,245	1,243
Resistance	1,253	1,257	1,260

Source: FX EMPIRE

Highlights

- Gold prices fell, weighed down by a stronger U.S dollar, and may re-test a seven-month low
- A strengthening dollar proved the most significant headwind for precious metal
- Strong stocks, overseas buyers need dollars to pay for stocks, so gold again becomes expensive
- A stronger dollar makes greenback-denominated gold more expensive for holders of other currencies
- For gold, support looks to be holding well around \$1,250 but the USD could break higher and this is the biggest risk for gold

Gold - Technical Indicators

RSI 14	70.21
SMA 20	1,260.3
SMA 50	1,259.1
SMA 100	1,258.9
SMA 200	1,257.5

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices fell today as the dollar firmed against the yuan after the United States threatened to impose additional tariffs on Chinese goods, escalating trade tensions between the world's two largest economies.
- The Trump administration said, it would slap 10 percent tariffs on an extra \$200 billion worth of goods imported from China. A firmer greenback makes bullion expensive for holders of other currencies as the commodity is priced in dollars.
- Spot gold fell 0.3 percent at \$1,250.90 an ounce. In the previous session, bullion hit a one-week low at \$1,246.81 an ounce. U.S gold futures for August delivery were 0.3 percent lower at \$1,251.90 an ounce.
- Spot gold may break a support at \$1,247 per ounce and fall more towards the next support at \$1,237 as it has completed a bounce from the July 3 low of \$1,237.32.
- If this dollar strength continues, it could see another test of \$1,240, the lows from last week and mid-December, a crucial technical level. Bullion has been on a downtrend since touching \$1,365.23 on April 11, then the strongest since Jan. 25.
- The dollar's index against a basket of six major currencies was up 0.33 percent at 94.386 after dropping to its lowest since mid-June on Monday. Investors were also awaiting developments on the trade war between China and the United States.
- Downtrend also comes as the Federal Reserve is slated to normalize U.S monetary policy, lifting benchmark interest rates at least once more in 2018, with higher rates potentially creating more headwinds for gold as the dollar bucks up and as the 10-year Treasury rate climbs, eroding some gold demand.

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

The WTI Crude Oil market has started to grind a bit to the upside, reaching towards the \$75 level above. That of course is a large, round, psychologically significant figure, and an area that has caused a bit of resistance in the past. If it can break above that level, it's likely that it will continue to go towards the \$77.50 level, and of course beyond that if things start to heat up. If the US dollar starts to fall, that will also add to bullish pressure. Economists believe that currently it is trying to build enough momentum to break above the \$75 level, so short-term pullbacks should be buying opportunities. Brent markets have also rallied, and even broke above the top of the gap down from last week. Now it looks as if it will try to make a move towards the \$80 level, which of course is psychologically important and of course will probably attract a lot of attention.

Pivot:	73.61		
Support	73.20	72.90	72.60
Resistance	74.00	74.40	74.80

Source: FX EMPIRE

Highlights

- Crude oil is seeing declines with WTI knocking down to 73.40
- Oil prices were also weighed down by expectations for a continued uptick in U.S production
- The U.S pulled out of a multinational deal in May to lift sanctions against Iran in return for curbs to its nuclear program
- There is a long deadline on this, if these tariffs are introduced there will be an impact on global growth and demand
- Crude's rise yesterday was fueled in part by positive macro spillover from strong global equities

Crude - Technical Indicators

RSI 14	37.55
SMA 20	70.29
SMA 50	70.33
SMA 100	70.49
SMA 200	70.64

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell today, with Brent dropping by more than \$1 at one point, after U.S President Donald Trump threatened to levy new trade tariffs on China. The trade concerns have bitten today and the reason is that this is above and beyond what the market was expecting.
- The specter of tariffs on a further \$200 billion worth of Chinese goods sent commodities lower along with stock markets, as trade tensions between the world's two biggest economies intensified.
- Brent crude futures were down 65 cents, or 0.8 percent, at \$78.21 a barrel, having fallen to as low as \$77.60. U.S crude was down 43 cents, or 0.6 percent, at \$73.68.
- The bearish mood was also fueled by news the United States would consider requests for waivers from sanctions due to snap back into place on Iranian crude exports.
- U.S crude inventories fell last week by 6.8 million barrels, according to data from industry group the American Petroleum Institute. That decline was larger than expected, causing crude futures to gain in post-settlement trading.
- U.S crude oil production is expected to average more than 12 million barrels per day late next year for the first time, the U.S Energy Information Administration said in a monthly report on Tuesday.
- Washington will consider requests from some countries to be exempted from sanctions it will put into effect in November to prevent Iran from exporting oil. Washington had earlier told countries they must halt all imports of Iranian oil from Nov. 4 or face U.S financial measures, with no exemptions.

US Commodity Futures Trading Commission (CFTC) Data

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	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 initially fell during the trading session yesterday, reaching down towards the \$15.90 level for support and finding it. The market then bounced enough to reach towards the \$16 level, an area that of course will attract a lot of attention due to the large, round, psychological significance of the figure. The \$16.15 level was broken above recently, which of course was a good sign, but it have turned right back around. Ultimately, the market will continue to see a lot of choppiness, so look for back and forth a range bound type of trades. Economists believe that the overall attitude of the market will be range bound, with a slightly positive amount of momentum underneath. The \$15.50 level is the beginning of support extending down to the \$15 level underneath. Market players believe that longer-term investors will continue look at these dips as buying opportunities.

Pivot:	15.94		
Support	15.87	15.81	15.76
Resistance	16.00	16.10	16.16

Source: FX EMPIRE

Highlights

- Silver prices went down 0.13 percent at \$16.05 an ounce
- A higher U.S dollar index is also a negative for the precious metals markets
- World stock markets were mixed overnight. U.S stock indexes are pointed toward slightly higher openings
- July Comex silver was last down \$0.109 at \$16.03 an ounce
- A firmer dollar was cited as headwind for silver, as it makes bullion more expensive for holders of other currencies

Silver - Technical Indicators

RSI 14	53.61
SMA 20	16.29
SMA 50	16.28
SMA 100	16.28
SMA 200	16.25

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver futures tilted lower from June 27 highs, as the dollar index rose off June 14 lows for the second session, following earlier data from China, the world's largest metals consumer, and the US.
- Silver prices are moderately lower in early U.S trading yesterday. The safe-haven metals are suffering from a perceived lack of geopolitical risks in the marketplace at present. Rallying stock markets recently attest to the scant risk aversion in the marketplace at present, despite a U.S-China trade war that is brewing.
- Silver futures due on September 15 inched down 0.18% to \$16.11 an ounce from the opening of \$16.14, marking July 3 lows, while the dollar index rose 0.16% to 94.23 from the opening of 94.08, moving away from four-week lows.
- Earlier US data showed the JOLTS Job Openings fell to 6.64 million in May from 6.84 million in April, missing expectations of 6.88 million. On Friday, released US data showed the unemployment rate up to 4.0% in June from 3.8% in May, a 2000 nadir, while average earnings rose 0.2%, slowing down from 0.3%.
- The US economy created 213 thousand new jobs in June, down from 244K in May and beating forecasts of 195K as the trade deficit shrank to \$43.1 billion from \$46.1 in April, beating forecasts of 43.6.
- The Federal Reserve voted at the June 12-13 meeting to hike interest rates to below 2% as expected by markets, while paving the way for possibly four rate hikes this year.
- Earlier Chinese data showed consumer prices rose 1.9% y/y as expected, accelerating from 1.8% in May, while producer prices rose 4.7% in June, accelerating from 4.1% and beating expectations of 4.5%.

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	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

Wednesday, July 11, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed July 11	12:00	EUR ECB President Draghi Speaks in Frankfurt	High			
Wed July 11	16:00	USD MBA Mortgage Applications (JUL 06)	Medium			-0.5%
Wed July 11	17:30	USD Producer Price Index Ex Food and Energy (MoM) (JUN)	Low		0.2%	0.3%
Wed July 11	19:00	CAD Bank of Canada Rate Decision (JUL 11)	High		1.50%	1.25%
Wed July 11	19:00	USD Wholesale Inventories (MoM) (MAY F)	Low		0.4%	0.5%
Wed July 11	19:30	USD DOE U.S. Crude Oil Inventories (JUL 06)	Medium			1245k
Wed July 11	19:30	USD DOE U.S. Gasoline Inventories (JUL 06)	Low			-1505k
Wed July 11	19:30	USD DOE U.S. Distillate Inventory (JUL 06)	Low			134k
Wed July 11	20:35	GBP BOE Governor Mark Carney Speaks in Boston, Massachusetts	High			

Source: Forex Factory, DailyFX

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