

Gold

Technical

Gold markets pulled back to the \$1294 level before bouncing, reaching towards the \$1300 level which has been resistance. The market will eventually break out above there, but it might take several attempts to do so. If it do clear that general area, the market is likely going to go to the \$1308 level, and then break out above there to go towards \$1325 level. In the meantime, Economists think that short-term pullbacks continue to offer plenty of support, especially considering that the uptrend line has held so reliably underneath. It's not until it break down below the \$1290 level that would be concerned. In general, Gold will be reactive to what's going on between the United States and North Korea, and of course the sudden spat that it had seen between several G7 members, not the least of which would be the United States and Canada. There is the possibility of volatility due to these issues.

Pivot:	1,297		
Support	1,294	1,290	1,287
Resistance	1,300	1,303	1,306

Source: FX EMPIRE

Highlights

- Gold prices continued to be range bound as expected the Fed will not only hike interest rates
- The metal had managed a small weekly return of about 0.3% last week after challenging the closely watched \$1,300 line
- The dollar index was steady against a basket of major currencies
- Higher interest rates dent the appeal of non-interest bearing assets like gold. Yet gold climbed higher
- Gold prices continued to hover around the psychologically important \$1,300 level

Gold - Technical Indicators

RSI 14	41.13
SMA 20	1,325.5
SMA 50	1,298.3
SMA 100	1,288.0
SMA 200	1,309.5

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold inched higher yesterday, as investors anticipated the U.S central bank monetary policy meeting this week that is expected to boost interest rates, and ahead of a U.S and North Korea summit. This matter could be a mixed bag for the gold market.
- Spot gold gained 0.1 percent to \$1,299.83 ounce. U.S gold futures for August delivery settled up 50 cents or 0.04 percent at \$1,303.20 per ounce. Obviously, a negative public spectacle would not play well in global markets and create some strong safe haven demand, but that is a low probability.
- The U.S Federal Reserve will likely raise its target interest rate to above the rate of inflation for the first time in a decade, seeking to sustain the second-longest U.S expansion on record while continuing to edge rates higher.
- With the geopolitical risk with North Korea and the Fed rate hike being baked into the market, there's really no downside potential for gold. Only upside potential if something doesn't dust the market.
- Weighing on gold were encouraging signs from U.S President Donald Trump about a summit with North Korean leader Kim Jong Un in Singapore on denuclearization efforts, dimming gold's safe haven attraction.
- The market opened predictably quiet ahead of the abundance of risk events this week and wholly ignored President Trump going rogue at the G7. Geopolitical risk moderating, the Fed and the European Central Bank (ECB) would guide gold's near-term fate.
- Gold is range bound at present until after the FOMC meeting concludes and the market absorbs the statement and signals for next interest rate increase. The real variable or mystery is gold and market response to the Trump-Kim summit in Singapore.

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 went sideways before bouncing a bit yesterday, as the \$65 level offered support. That support extends down to the \$64 level, and Economists think that this bounce of course is a sign of stability that the market needs. If it can break above the \$66.25 level, at that point the market should then go to the \$67 level, perhaps even the \$68 level. It anticipate a lot of noise in this market, and it's only a matter of time before it get violent moves in both directions as there are many pieces. Because of this, it would keep position size is small and focus more on the back and forth than anything else. Brent markets fell a bit yesterday but found enough support near the \$75.50 level before rallying again. By doing so, it wiped out the losses early in the day, and it's only a matter time before buyers coming back into this market, perhaps reaching towards the \$70 level above.

Pivot:	66.50		
Support	65.90	65.60	65.20
Resistance	67.00	67.30	67.90

Source: FX EMPIRE

Highlights

- Oil prices ends higher on production risks, even after report of higher Saudi output
- Oil prices settled higher, getting a lift from expected supply disruptions in Iran and Venezuela
- U.S oil producers have increased the number of active rigs for a third week running
- In the United States, output has risen by almost a third in the last two years, to a U.S record of 10.8 million bpd.
- Russian production has reportedly climbed from below 11 million barrels per day (bpd) to 11.1 million bpd in early June

Crude - Technical Indicators

RSI 14	35.14
SMA 20	48.32
SMA 50	50.76
SMA 100	54.32
SMA 200	59.24

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices edged up alongside global markets today as U.S President Donald Trump said a summit in Singapore with North Korea's Kim Jong Un had made "a lot of progress," boosting hopes of a deal to end a nuclear standoff on the Korean peninsula.
- Markets were held back by signs that output is rising from top producers Russia, the United States and Saudi Arabia. Brent crude futures were trading at \$76.55 a barrel, up 9 cents or 0.1 percent on their last close. U.S West Texas Intermediate (WTI) crude futures were at \$66.24 a barrel, up 14 cents, or 0.2 percent.
- Oil prices edged up on cautious optimism over the outcome of a summit between U.S President Donald Trump and North Korean leader Kim Jong Un in Singapore.
- Movements in crude markets were limited as investors were reluctant to take on large new positions ahead of a meeting between producer cartel OPEC and some of its allies on June 22.
- Crude has been supported by healthy demand and voluntary production cuts led by the Organization of the Petroleum Exporting Countries (OPEC), but oil markets were also currently heavily driven by public policy events and statements.
- Global markets edged up as the highly anticipated U.S and Korea summit got underway in Singapore amid expressions of goodwill. Any positive outcome could be good news for markets.
- In oil market fundamentals, however, not all things point to higher prices, with output from the three biggest producers, Russia, the United States and Saudi Arabia on the rise.

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 initially try to rally yesterday but found the \$16.90 level to be far too resistive to continue going higher. It pulled back from there but found plenty of support near the \$16.75 level to turn around and rally towards the highs again. Now that is breaking above there, it's very likely that it is going to the \$17 level above. If it can clear that level, then the market should continue to go towards the \$17.25 level above. There will be buyers looking at picking up a bit of value, and that this market is extraordinarily volatile as per usual, so Economists think at this point it should probably look at pullbacks as an opportunity to pick up a little bit of silver, perhaps either in a small position, or perhaps even physical for longer-term investment trade. Market players believe that eventually sober will continue to reach towards the \$20 level, and beyond there.

Pivot:	16.86		
Support	16.73	16.60	16.51
Resistance	16.94	17.00	17.10

Source: FX EMPIRE

Highlights

- Silver gained 0.8 percent to \$16.87 an ounce, after hitting a seven-week high of \$16.95 earlier in the session
- A lot of financial interest in this depository, with silver and other commodities coming here
- The U.S dollar index is slightly higher following recent selling pressure
- It's widely believed the FOMC will rise interest rates by 0.25% at the conclusion of the meeting
- Silver futures hit a six-week high, are within a whisker of hitting the key \$17.00 level, as the bulls have technical momentum on their side

Silver - Technical Indicators

RSI 14	39.31
SMA 20	17.68
SMA 50	17.25
SMA 100	16.93
SMA 200	16.81

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices rallied yesterday to seven-week highs as demand rose solidly on the safe haven and alternative investment. Silver rose to \$16.88 an ounce from the opening of \$16.76, with an intraday high at \$16.92, and a low at \$16.73.
- Silver's advance comes amid growing tensions in the market as the global trade dispute between US and allies deepens, souring risk appetite. Otherwise, US dollar fell at the week's open, underpinning silver as investors remain cautious ahead of crucial central bank meetings around the globe this week.
- Large speculators upped their bullish stance in silver during the most recent reporting week for data compiled by the Commodity Futures Trading Commission. The price action reflected those changes in positioning. During the week-long period to June 4 that was covered by the report.
- Meanwhile, in silver futures, money managers upped their net-long position to 4,619 lots from 791 the week before. This was mainly due to fresh buying, as gross longs climbed by 3,721 contracts.
- Silver showed "signs of life" as the gold/silver ratio hit a four-month low. The ratio measures how many ounces of silver it takes to buy an ounce of gold. A decline means an outperformance by silver prices, and vice-versa.
- Price action will likely remain muted/slightly weaker heading into the meeting, but a 'dovish hike' and talk of an inflation overshoot could be the catalyst needed to reignite spec interest.
- Net long or short positioning in the CFTC data reflect the difference between the total number of bullish (long) and bearish (short) contracts. Investors monitor the data to gauge the general mood of speculators, although excessively high or low numbers are viewed by many as signs of overbought or oversold markets that may be ripe for price corrections.

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

Tuesday, June 12, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tues June 12	06:30	AUD Home Loans (MoM) (APR)	Medium	-1.4%	-1.8%	-2.3%
Tues June 12	09:30	JPY Tertiary Industry Index (MoM) (APR)	Medium	1.0%	0.6%	-0.3%
Tues June 12	13:30	GBP Jobless Claims Change (MAY)	Medium			31.2k
Tues June 12	13:30	GBP Average Weekly Earnings (3M/YoY) (APR)	Medium		2.5%	2.6%
Tues June 12	14:00	EUR German ZEW Survey Expectations (JUN)	High		-14.0	-8.2
Tues June 12	17:30	USD Consumer Price Index (YoY) (MAY)	High		2.7%	2.5%
Tues June 12	17:30	USD Consumer Price Index Ex Food and Energy (YoY) (MAY)	High		2.2%	2.1%
Tues June 12	17:30	USD Real Avg Weekly Earnings (YoY) (MAY)	Medium			0.4%
Tues June 12	23:00	USD Monthly Budget Statement (MAY)	Medium		-\$127.0b	\$214.3b

Source: Forex Factory, DailyFX

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