

Gold

Technical

Gold prices were nearly unchanged, generating a doji day which is a scenario where the open and the close are at the same level reflecting indecision. Softer than expected Italian inflation showed and a clarification of Draghi's comments on Tuesday, helped take the edge off the Euro and capped gold prices. Support is seen near an upward sloping trend line that comes in near 1,235. Resistance is seen near the 10-day moving average at 1,249. Negative momentum is decelerating as the MACD prints in the red with a flat trajectory which reflects consolidation. Italian HICP inflation fell back to just 1.2% year over year in June, from 1.6% year over year in the previous month. Base effects continue to play a role and transport costs, which include petrol prices, rose 3.0% year over year, a marked deceleration from the 3.7% year over year in the previous month.

Pivot:	1,245		
Support	1,241	1,238	1,236
Resistance	1,253	1,257	1,259

Highlights

- Gold prices ended higher yesterday as the dollar extended its decline, but strength in yields served to cap the metal's upside
- Gold for August delivery rose \$2.20, or 0.2%, to settle at \$1,249.10 an ounce
- The meeting includes a news conference from Chairwoman Janet Yellen
- Dollar weakness has provided only modest support for gold, which remains down 0.6% so far this week
- Among the exchange-traded funds, the SPDR Gold Trust traded nearly flat

Gold - Technical Indicators

RSI 14	65.71
SMA 20	1,323.2
SMA 50	1,291.3
SMA 100	1,234.5
SMA 200	1,235.8

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices rose yesterday as the dollar weakened for a second straight day following a global cyber attack and a delay to U.S. healthcare legislation that fueled doubts about President Donald Trump's ability to pass measures expected to boost the economy.
- The dollar sank to its lowest level since November while the euro hit a one-year high after European Central Bank President Mario Draghi on Tuesday appeared to hint that stimulus could be trimmed this year, though sources later said he had been misinterpreted.
- A weaker greenback makes dollar-denominated bullion cheaper for holders of other currencies and can increase demand. Spot gold was up 0.2 percent at \$1,249.20 an ounce. It was on track to close June down 1.5 percent, but for the second quarter finish little changed.
- For the remainder of this year we expect gold prices to profit slowly but surely from a weaker U.S. dollar and to rise at a modest pace. Our year-end forecasts for 2017 and 2018 are \$1,300 and \$1,400 per ounce, respectively.
- While the weak greenback was seen giving support to gold prices, rising yields on U.S. benchmark 10-year Treasury notes were seen preventing stronger gains. The risk of a deeper stock market correction meant investors now wanted to keep their gold.
- With the selling appetite fading, it gives some room to the upside. Stock investors were also on edge after U.S. Federal Reserve Chair Janet Yellen said shares may be over-valued. However, bond yields rose after Draghi's comments on ECB stimulus, limiting the appeal of non-yielding bullion.
- Expect to see prices perking up heading into the latter part of the week, especially if the combination of a weaker dollar and U.S. equity markets stays with us for a little while longer.

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 a bit during the day on Wednesday when it opened, and then went sideways. The 24-hour exponential moving average continues to offer support, and I believe that the market should continue to find buyers on dips. The \$45 level above is a major resistance barrier though, and we have not broken above there at the time of recording. If we do break above there for any real length of time, I feel that the market then goes to the \$46 level. It is not until we close above there on at least an hourly chart that I'm willing to put money to work though, so in the meantime I'm going to be patient. If we do show signs of rolling over, I then am a seller as the market will probably go down to the \$44 handle underneath. The oil markets got a mixed message from the inventory announcement during the day. Brent markets also rally during the day, as we broke above the \$47 level.

Pivot:	45.20		
Support	44.45	43.90	43.55
Resistance	45.55	45.80	46.20

Highlights

- Oil headed for its longest winning streak in two months after declines in U.S crude production and gasoline inventories
- Futures rose as much as 1.4 percent yesterday after advancing 5.2 percent in the previous five sessions
- U.S production tumbled by 100,000 barrels a day last week, the EIA said
- WTI for August delivery was at \$45.32 a barrel on the NYMEX, up 58 cents
- OPEC may need to make deeper supply cuts to rebalance the oil market

Crude - Technical Indicators

RSI 14	46.23
SMA 20	45.56
SMA 50	47.63
SMA 100	48.76
SMA 200	50.11

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices rose to a two-week high today, extending a rally into a sixth straight session after a decline in weekly U.S. production eased concerns about deepening oversupply.
- Crude prices slipped to the lowest in 10 months last week but have since rebounded more than 7 percent, stretching their bull-run to the longest since April. U.S crude was up 33 cents at \$45.07 a barrel. It registered an intraday high of \$45.24, also a two-week peak.
- After the steep drop in oil prices of recent weeks, I believe that especially hedge funds saw nice buying momentum and lower U.S. crude production was the trigger to act.
- U.S. government data showed on Wednesday that domestic crude production dropped by 100,000 barrels per day (bpd) to 9.3 million bpd last week, the steepest weekly fall since July 2016.
- Some analysts and traders said the decline was related to temporary factors such as the shutdown of some oil production sites due to Tropical Storm Cindy in the Gulf of Mexico and maintenance in Alaska.
- These production outages are therefore likely to be made good again in the coming weeks, meaning that a noticeable rise in U.S. oil production can be expected. It is thus doubtful whether (the) price rise will really prove lasting.
- Global oil supplies remain ample despite output cuts by the Organization of the Petroleum Exporting Countries and other producers of 1.8 million bpd since January.
- OPEC and its allies, trying to reduce a crude glut, agreed in May to extend the supply cut through March 2018. OPEC has exempted Nigeria and Libya from the curbs due to unrest that has sapped those countries' 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

The Silver markets had a slow session, as we continue to grind slightly higher. We are currently hugging the 24-hour exponential moving average, and the market should then reach towards the \$17 level over the longer term. It's probably a to take a couple of days to get there, but it does look like we are starting to see the market form a little bit of an uptrend and of course the of trending channel. The market is going to run into a certain amount of trouble at the \$17 level. That level breaking to the upside of course would be very bullish, and should send this market much higher. I don't think that the market will be a way to get above there right away, so it will probably take a significant amount of work to get above there. With the massive amounts of geopolitical concerns around the world, it makes sense that perhaps silver will eventually find a stronger bid, but there are a lot of moving pieces.

Pivot:	16.77		
Support	16.62	16.54	16.42
Resistance	16.89	17.00	17.10

Highlights

- Silver prices held on to gains today to trade near two-week highs as a stumbling dollar provided a boost to precious metals
- Silver for September settlement was trading at \$16.79 a troy ounce
- Prices traded between \$16.76 and \$16.91 through the overnight session
- Silver has gained in five of the last six sessions, including a 1% increase yesterday
- The grey metal is on track for its highest settlement since June 14, the day the Federal Reserve voted to raise interest rates

Silver - Technical Indicators

RSI 14	56.32
SMA 20	19.22
SMA 50	18.34
SMA 100	17.49
SMA 200	17.54

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices snapped back in a hurry yesterday, as a weaker dollar provided a catalyst for precious metals. Silver for September delivery climbed 21 cents, or 1.3%, to \$16.86 a troy ounce. Prices fluctuated between \$16.68 and \$16.87 through the overnight session.
- Gold prices also advanced Wednesday, with the August futures contract gaining \$6.90, or 0.6%, to \$1,253.80. Bullion is in the process of recovering from a sharp pullback at the start of the week.
- The gold/silver ratio that is used by investors to determine when to buy and sell precious metals closed at 75.19 on Tuesday. The ratio essentially states that one ounce of gold is worth 75.19 ounces of silver. The ratio was as high as 76.03 last week.
- The U.S. dollar plunged more than 1% on Tuesday amid broad gains in the euro and pound. Disappointing data releases earlier in the week also signaled that the U.S. economy failed to break out of its low-growth conundrum in the first half of the year.
- The dollar index was down 0.2% at 96.20 through the early morning session. For many, a slowing U.S. economy could compromise the Federal Reserve's plans to raise interest rates, which has direct implications on the dollar.
- On Tuesday, the International Monetary downgraded its outlook for U.S. economic growth, citing uncertainty over President Donald Trump's policies. The Commerce Department will release its third and final estimate of first quarter GDP on Thursday. One day later, the same department will issue the latest personal income and outlays report.
- The dollar usually benefits from an environment of rising interest rates, but a weakening economy is casting doubts about the Federal Reserve's long-term plan to normalize monetary policy.

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, June 29, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Jun 29	11:00	EUR German GfK Consumer Confidence Survey (JUL)	Medium	10.6	10.4	10.4
Thu Jun 29	13:30	GBP Net Consumer Credit (MAY)	Medium	1.7b	1.4b	1.5b
Thu Jun 29	13:30	GBP Mortgage Approvals (MAY)	Medium	65.2k	64.0k	65.1k
Thu Jun 29	17:00	EUR German Consumer Price Index (YoY) (JUN)	High	1.6%	1.4%	1.5%
Thu Jun 29	17:30	USD Gross Domestic Product (Annualized) (1Q)	High	1.4%	1.2%	1.2%
Thu Jun 29	17:30	USD Personal Consumption (1Q)	Medium	1.1%	0.6%	0.6%
Thu Jun 29	17:30	USD Initial Jobless Claims (JUN 24)	Medium	244k	240k	242k
Thu Jun 29	17:30	USD Continuing Claims (JUN 17)	Medium	1948k	1935k	1942k
Thu Jun 29	19:30	USD EIA Natural Gas Storage Change (JUN 23)	Low		52	61

Source: Forex Factory, DailyFX

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