

## Gold

### Technical

Gold markets rallied on Thursday, as we reached towards the \$1230 into. I still think that there is a significant amount of bullish pressure in this market and I like buying dips. It looks as if we will test the \$1260 level again, and therefore I have no interest in selling. I believe the \$1200 level will now act as a bit of a floor in this market. Because of this, I think every time we dip, buyers will come back in looking for value as gold markets have been reasonably reliable for the year. Momentum has turned positive as the short term MACD (moving average convergence divergence) index generated a crossover buy signal. This occurs as the spread (the 5-day moving average minus the 13-day moving average) crossover above the 6-day moving average of the spread. The RSI (relative strength index) moved higher with price action reflecting accelerating positive momentum.

Pivot:	1,227		
Support	1,223	1,217	1,211
Resistance	1,233	1,237	1,241

### Highlights

- Metals jumped across the board yesterday, with gold prices notching their highest finish in two weeks
- The U.S Fed raised interest rates, but struck a less hawkish tone than expected
- April gold rallied \$26.40, or 2.2%, to settle at \$1,227.10 an ounce, with prices ending at their highest level since March 2
- The precious metal bounced on the back of the cautious outlook given by the Fed
- The Dollar Index fell 0.3%, building on a roughly 1.2% slump from Wednesday

### 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 steady today and were on course for their first weekly gain in three, as the dollar plumed to fresh five-week lows after the U.S. central bank's signal of a slower pace of rate increases this year disappointed dollar bulls.
- The U.S. Federal Reserve delivered an interest rate increase earlier this week as widely anticipated, but did not alter its earlier forecast for a total of three rate increases this year, dashing hopes of dollar bulls who had waited for hints of a possible fourth hike in 2017.
- The dollar index, which measures the greenback against a basket of currencies, hit a fresh 5-week low of 100.160. Spot gold was nearly unchanged at \$1,226.31 per ounce after hitting its highest since March 6 in the previous session, while U.S. gold futures were little changed at \$1,226.20.
- What's happening now is just an inverse trade against the dollar. If there is a risk-averse sentiment, we can see both the gold and dollar rising together, especially after a Fed rate hike.
- Gold is highly sensitive to rising U.S. interest rates, as these increase the opportunity cost of holding non-yielding bullion, while boosting the dollar, in which it is priced.
- The market is not sure about the timing of a rate hike in the future. I would expect gold to trade in a wide band of \$1,190 - \$1,230 between the French elections and the U.S. Federal Reserve meeting in May.
- Holdings of SPDR Gold Trust fell 0.28 percent to 837.06 tonnes yesterday from 839.43 tonnes on Wednesday. The world's largest gold-backed exchange-traded fund saw outflows after three straight session of inflows this week. Gold may test a support at \$1,221 per ounce, a break below which could cause a loss to \$1,210.

### 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 markets trying to rally during the session on Thursday but gave back all of the gains yet again. It was that the market is going to continue to see massive bearish pressure, and I believe that we are going to go reaching towards the \$47 level from here. It might be a bit choppy, but ultimately I think the sellers are without a doubt going to be in control going forward as this market has struggled so much recently. Oversupply has been an issue for a very long time, and quite frankly I'm surprised it took this long to show up. I think of the target longer-term is going to be \$45 a barrel. Rallies all the way to the \$52 level should continue to face significant resistance, so I believe that they offer short-term selling opportunities for those of you that prefer shorter timeframe charge. Support on crude oil is seen near and upward sloping trend line that comes in near 47.25.

Pivot:	48.83		
Support	48.30	47.85	47.25
Resistance	49.05	49.63	50.13

### Highlights

- Oil headed for a weekly increase as U.S. stockpiles retreated from record levels
- Saudi Arabia said it's prepared to continue production curbs in the second half of the year
- Futures were little changed in New York, up 0.9 percent for the week
- U.S. inventories last week fell for the first time this year, according to Energy Information Administration data on Wednesday
- Output curbs by OPEC and its partners may continue past June if global stockpiles remain above the five-year average

### 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 prices edged up today, helped by a weaker dollar, as investors weighed the impact of OPEC production cuts against rising U.S. shale oil output and persistently high inventories.
- Saudi Energy Minister Khalid al-Falih said in yesterday's session that oil output cuts by the Organization of the Petroleum Exporting Countries and non-OPEC producers could be extended beyond June if oil stocks stayed above a long-term average.
- But analysts said the comments gave limited support because Riyadh has said it needs cooperation to rebalance the market and non-OPEC producers, such as Russia, have yet to deliver fully on reduction commitments in the first half of 2017.
- Brent crude was up 15 cents at \$51.89 a barrel. U.S. light crude was up 17 cents at \$48.92. The market remains relatively calm today with concerns about having to extend the production cut deal being offset by a weaker dollar.
- Oil prices, which lost ground earlier on Friday, have found some support from dollar weakness after the U.S. Federal Reserve indicated it would not accelerate plans for rate rises. The fall in the greenback boosted dollar-denominated crude.
- Investors will also look for more direction from data due later on Friday. The Baker Hughes weekly rig count will indicate activity in the U.S. shale industry and the U.S. Commodity Futures Trading Commission releases calculations of net long and short positions in the crude futures market.
- Oil prices fell sharply last week on concerns that OPEC-led production cuts were not reducing the global supply overhang as quickly as expected in the face of increased U.S. output.

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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



# Commodity News

Friday, March 17, 2017



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Mar 17	02:30	NZD Business NZ Performance of Manufacturing Index (FEB)	Medium	55.2		52.2
Fri Mar 17	03:40	CNY Foreign Direct Investment (YoY) (FEB)	Medium	9.2%	-4.2%	-9.2%
Fri Mar 17	05:00	NZD ANZ Consumer Confidence (MoM) (MAR)	Low	-1.7%		-1.0%
Fri Mar 17	15:00	EUR Euro-Zone Trade Balance (euros) (JAN)	Low	-0.6b		23.1b
Fri Mar 17	17:30	CAD Manufacturing Shipments (MoM) (JAN)	Low		-0.5%	2.3%
Fri Mar 17	18:15	USD Industrial Production (FEB)	Medium		0.2%	-0.3%
Fri Mar 17	18:15	USD Manufacturing (SIC) Production (FEB)	Medium		0.3%	0.2%
Fri Mar 17	19:00	USD U. of Michigan Confidence (MAR)	High		97	96.3
Fri Mar 17	19:00	USD Leading Indicators (FEB)	Medium		0.4%	0.6%

Source: Forex Factory, DailyFX

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