

Gold

Technical

Gold markets trying to rally on Monday, but struggled a bit underneath the \$1235 level. Ultimately, the \$1240 level is massively resistive and I think we are getting a little bit overextended at this point. A pullback should be a nice buying opportunity, and I believe that the \$1220 level underneath should be a slightly supportive candle opportunity. I think that given enough time we do go higher, but we may need to pullback over the next day or two in order to find enough momentum to finally break out to the upside for the longer-term move. Momentum has turned positive as the MACD (moving average convergence divergence) index generated a crossover buy signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crossover above the 9-day moving average of the spread. The index moved from negative to positive territory confirming the buy signal.

Pivot:	1,228		
Support	1,223	1,218	1,214
Resistance	1,233	1,235	1,240

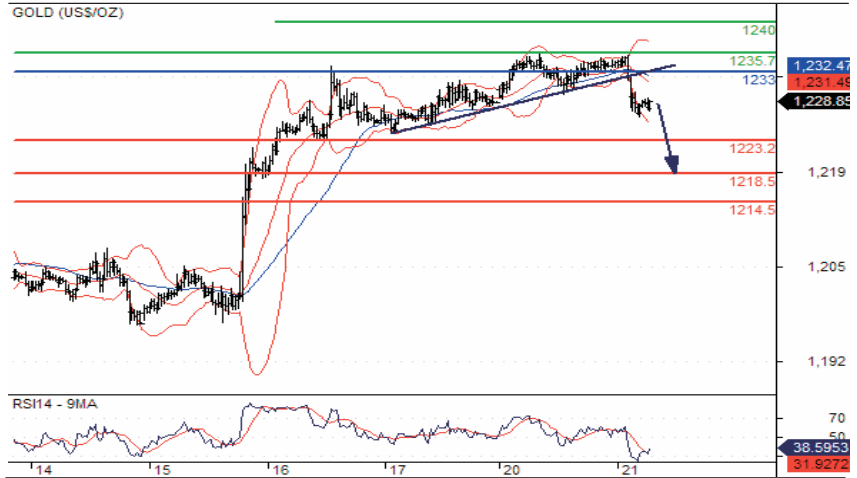
Highlights

- Gold futures settled yesterday at their highest level in about 2½ weeks
- The precious metal has rebounded more than \$35 from the low hit before the Fed policy announcement last Wednesday
- Gold is expected to test \$1,237, a break above which could lead to \$1,243
- Holdings of SPDR Gold, the world's largest gold-backed exchange-traded fund, fell 0.35 percent to 834.10 tonnes on Friday
- Gold on Friday recorded its strongest weekly climb since early February

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 edged higher to a two-week peak yesterday as the dollar slid to a six-week low after a G20 weekend summit dominated by the U.S. administration's protectionist stance.
- The precious metal has been rising since Wednesday, when the dollar dropped after the Federal Reserve raised U.S. interest rates but stopped short of predicting a sharper acceleration in monetary tightening over the next two years.
- The dollar fell to a six-week low before recovering to trade 0.1 percent higher against a basket of currencies. Gold is sensitive to falling interest rates, which reduces the opportunity cost of holding non-yielding bullion. I think gold prices are going to continue to rally and the target to the upside is \$1,250.
- I don't anticipate that the Fed will be so aggressive on raising rates and there's a lot of uncertainty with Brexit becoming official later on in the month and there's a lot of questions circulating around Russia.
- Markets had been volatile as FBI Director James Comey spoke on Monday, confirming the agency was investigating possible Russian government efforts to interfere in the 2016 U.S. election including any links between President Donald Trump's campaign and Moscow.
- Spot gold rose 0.44 percent to \$1,233.92 an ounce, after touching \$1,235.50, its highest since March 6. U.S. gold futures gained 0.3 percent to settle at \$1,234.00.
- Breaking a decade-long tradition of endorsing open trade, G20 finance ministers and central bankers made only a token reference to trade at the weekend, acquiescing to an increasingly protectionist United States. Global markets balked at the move which soured risk appetite, pressuring stocks, the dollar and oil and driving investors into safe-haven gold.

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

Crude oil prices were lower yesterday, with prices testing the 48 handle, giving back the gains seen following the unexpected draw in inventories reported by the EIA last week. Support is seen near an upwards sloping trend line at 47.20 and then near last week's lows at 47.10. Resistance is seen near the 10-day moving average at 49.19. Momentum is negative as the MACD index prints in the red with a downward sloping trajectory which reflects lower prices. The RSI continues to print near the oversold trigger level of 30 which could foreshadow a correction. The RSI was recently oversold and the last time this occurred prices rallied nearly \$15 per barrel. The move lower reflects accelerating negative momentum. Traders now await Tuesday's API inventory report, which should shed light on weather crude oil stocks are beginning to decline.

Pivot:	48.36		
Support	48.05	47.70	47.35
Resistance	48.60	48.92	49.20

Highlights

- Crude oil prices bounced back today from hitting roughly one-week low
- Cautious optimism for an extended production-cut agreement percolated in the market
- April West Texas Intermediate crude rose 32 cents, or 0.7%, to \$48.54 a barrel
- Oil is finding tailwind from agency reports that OPEC is seriously considering extending its production cuts to beyond June
- Saudi Arabia's crude exports to the U.S for the week ended March 10 fell by 426,000 barrels a day

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



Fundamentals

- Oil prices rose today, helped by expectations that an OPEC-led output cut would be extended beyond June but gains were pegged back by concerns about persistently high crude inventories.
- The Organization of the Petroleum Exporting Countries and some non-OPEC producers agreed to curb production from Jan. 1 by 1.8 million barrels per day (bpd) for six months to drain crude from record stockpiles. But inventories remain stubbornly large.
- OPEC sources have indicated the group's members increasingly favor an extension but want the backing of non-OPEC oil producers, which have yet to deliver fully on existing reductions.
- Talk of the extension is supporting prices, together with the weaker dollar. But any rally might run out of steam soon as the underlying sentiment is still negative.
- A weaker dollar makes dollar-denominated crude cheaper for holders of other currencies. U.S. West Texas Intermediate (WTI) crude rose 31 cents to \$48.53. Brent crude, the international benchmark for oil, was up 36 cents at \$51.98 per barrel but well below January's surge above \$58 in the wake of the output cuts, rebounding from last week's three-month low of \$50.25.
- Further gains may depend on today's data on U.S inventories from the American Petroleum Institute (API). Last week's report by the API industry group showed a surprise fall in overall stockpiles in the week to March 10. This time analysts expect a rise back towards record highs.
- Stockpiles at the Cushing, Oklahoma delivery hub for WTI may be a particular focus in the API data. Stocks at Cushing rose in the week to March 10, helping to widen the premium for Brent over WTI. The gap now stands at around \$2.70 for May delivery.

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 trying to rally on Monday but were held back empty \$17.50 level. This is an area that should offer a bit of resistance, so pullback would not be surprising to me. Pullback should be a buying opportunity though, because it's only a matter time before we break above there and reach towards \$18.50 level yet again. I think that every time we pullback its value, as silver has a long way to go but expect quite a bit of volatility which is the typical case in this commodity as volume is always a bit of an issue. The decline from near 18.50 to 16.85 took shape in straight-line fashion, so it's safe to say silver became oversold. With price already testing resistance, we may not see an immediate turn back lower without a little digestion, or a 'time correction', to work off oversold conditions. A short period of failed attempts to push higher would strengthen the case for lower prices.

Pivot:	17.33		
Support	17.23	17.14	17.01
Resistance	17.38	17.46	17.56

Highlights

- Silver prices are up nearly 3% since March 15, the grey metal is riding a three-day winning streak
- Fed speakers will make headlines all week long, with Chair Janet Yellen set to deliver a speech on Thursday
- The dollar index edged down 0.1% to 100.24 in yesterday's session
- The 'buy the rumour, sell the fact' event sent precious metals soaring as the U.S dollar fell
- The two asset groups had trended in the opposite direction in the weeks leading up to the Fed meeting

Silver - Technical Indicators

RSI 14	46.12
SMA 20	18.04
SMA 50	17.48
SMA 100	17.12
SMA 200	18.11

Silver Daily Graph



Fundamentals

- Silver prices were little changed today, as precious metals held near recent highs following another sharp decline in the U.S. dollar. May silver futures were trading at \$17.43 a troy ounce, virtually unchanged from the prior session's close.
- The metal traded within a daily range of \$17.34 and \$17.48 a troy ounce through the overnight session. Prices have been in a holding pattern since the start of the week, as investors await fresh trading catalysts in the form of economic data and monetary policy speculation.
- The U.S. dollar declined sharply against a basket of other major currencies, as the post-FOMC unraveling continued. The dollar index, which tracks the performance of the greenback against a basket of six other peers, fell 0.6% to 99.82. That's the lowest level since early February.
- The greenback declined sharply against the euro and British pound. It was also trading lower against its Canadian counterpart. In economic data, consumer inflation in the United Kingdom gathered pace in February, rising at the fastest level since September 2013.
- The consumer price index accelerated 2.3% in the 12 months through February, following a 1.8% increase the previous month, the Office for National Statistics said in a report on Tuesday. Inflation is now above the Bank of England's (BOE) target of 2% for the first time since 2013.
- Factory gate prices, as measured by the producer price index, strengthened 3.7% annually, official data showed. Fed speakers will make headlines all week long, with Chair Janet Yellen set to deliver a speech on Thursday.
- In terms of upcoming data releases, the National Association of Realtors (NAR) will report on existing home sales on Wednesday, followed by a government report on new home sales.

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

Tuesday, March 21, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Mar 21	07:00	NZD Credit Card Spending (YoY) (FEB)	Medium	5.3%		7.1%
Tue Mar 21	12:00	CHF Trade Balance (Swiss franc) (FEB)	Medium	3.11b		4.83b
Tue Mar 21	14:30	GBP Consumer Price Index (YoY) (FEB)	High	2.3%	2.1%	1.8%
Tue Mar 21	14:30	GBP House Price Index (YoY) (JAN)	Low	6.2%	6.4%	5.7%
Tue Mar 21	14:30	GBP Public Sector Net Borrowing (Pounds) (FEB)	Medium	1.1b	2.8b	-11.7b
Tue Mar 21	14:30	GBP PSNB ex Banking Groups (FEB)	Medium	1.8b	3.2b	-11.0b
Tue Mar 21	17:30	CAD Retail Sales (MoM) (JAN)	Medium	2.2%	1.3%	-0.4%
Tue Mar 21	17:30	USD Current Account Balance (4Q)	Low	-\$112.4b	-\$128.2b	-\$116.0b
Tue Mar 21	21:00	Fed's George Speaks in Washington on U.S. Economy and the Fed	High			

Source: Forex Factory, DailyFX

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