

## Gold

### Technical

Gold markets had a choppy session on Thursday, as we continue to press against significant resistance above. Ultimately, I believe that we will break out to the upside and continue the uptrend overall. However, we could have a pullback between now and then, but I look at that as a potential buying opportunity. I don't have any interest in selling gold, the market has been too strong for too long. A break towards the \$1300 level is my longer-term expectation, but obviously, the gold markets will be highly influenced by the United States dollar. Support is seen near the 10-day moving average at 1,225. Momentum has turned positive as the MACD (moving average convergence divergence) index recently generated a crossover buy signal. The index is printing in the black with an upward sloping trajectory which points to higher prices for the yellow metal.

Pivot:	1,243		
Support	1,237	1,235	1,231
Resistance	1,248	1,253	1,257

### Highlights

- Gold futures settled lower yesterday, ending a run of five straight daily gains
- A sharp slump in global equities and weakness in the U.S. dollar pressured gold
- Still, the “haven” demand underpinning gold remained a key theme
- Global markets prepared for the outcome of a major policy test for the Trump administration and a Republican-led Congress
- Gold fell 0.2%, to settle at \$1,247.20 an ounce. It settled Wednesday at \$1,249.70 an ounce, the highest finish since March 1

### 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



Source: Meta Trader

### Fundamentals

- Gold prices edged lower on Friday against a backdrop of a rising dollar as markets waited to see whether U.S President Donald Trump succeeds in pushing through healthcare reforms, viewed as a potential bellwether for his ability to impose his economic and political agenda.
- A rough ride for the healthcare plan could affect Trump's efforts to cut taxes and boost infrastructure, with the potential to drive more investors to gold as a safe haven if stock markets fall.
- Spot gold was down 0.2 percent at \$1,242.31 per ounce. On Thursday, it touched its strongest since Feb. 28 at \$1,253.12. The yellow metal was on track for its second straight week of gains. U.S. gold futures were down 0.4 percent at \$1,242.20.
- If the healthcare vote is to pass the reforms, gold could face pressure. But, if it encounters problems, we might chase a previous high at around \$1,260. The dollar recouped a little lost ground on Friday amid signs the delayed healthcare vote would go ahead later in the day - though it remained unclear whether it would pass.
- The U.S dollar index , which measures the greenback against a basket of currencies, rose 0.2 percent to 99.956. It hit a seven-week low of 99.547 on Wednesday.
- The yellow metal continues to see solid interest underneath \$1,245, however should prices fail again at \$1,250 we may see this support level broken to test \$1,230 - \$1,235.
- Spot gold is still targeting \$1,237 per ounce, as it faces a strong resistance zone of \$1,247-\$1,254. We suspect that short-term long positioning has become extended and may be vulnerable to a correction. A break of \$1,242.50 should see some stop-loss sell action appear as reduce longs.

### 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 initially tried to rally during the day on Thursday, but found enough bearish pressure to continue going lower as we consolidate overall. I believe that the market is going to reach towards the \$47 level below, which had been so supportive during the day on Thursday. Because of this, I'm a seller short-term rallies and believe that the markets will continue to offer selling opportunities. A breakdown below the \$47 level should send this market down to the \$45 handle, which has been very important in the past. It's a large, round, psychologically significant number so I do believe that there will be a certain amount of interest in that area. Rallies that show signs of exhaustion should be nice selling opportunities, I have no interest in buying but I do recognize that there could be quite a bit of back-and-forth trading in the short term.

Pivot:	47.87		
Support	47.60	47.42	47.14
Resistance	48.13	48.43	48.84

### Highlights

- Oil prices extended their streak of losses yesterday, as traders focused on the persistent oversupply of crude
- The record in U.S. stockpiles of crude oil reported Wednesday fed concerns over a global glut of supplies
- May West Texas Intermediate crude lost 34 cents, or 0.7%, to settle at \$47.70 a barrel
- Oil prices saw a late-session surge on Wednesday, but still closed lower
- EIA showed that U.S crude supplies rose by 5 million barrels to a record high of 533.1

### 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 edged up today, supported by a fall in Saudi exports to the United States, but overall markets remained under pressure on the back of a world market awash with fuel.
- Benchmark Brent crude futures were at \$50.69 per barrel, up 13 cents or 0.3 percent, from their last close. U.S. West Texas Intermediate (WTI) crude futures were up 18 cents, or 0.4 percent, at \$47.88 a barrel. Brent was heading for a weekly fall of about 2.1 percent, while WTI was off about 1.9 percent.
- The increase came as Saudi Arabia said its crude exports to the United States would fall by around 300,000 barrels per day (bpd) between February and March.
- In the United States, overseas oil suppliers like Saudi Arabia have to compete against rising shale drilling, which has pushed up U.S. oil production C-OUT-T-EIA by more than 8 percent since mid-2016 to just above 9.1 million bpd.
- To other major consumer regions, however, Saudi exports remain high despite an effort led by the Organization of the Petroleum Exporting Countries (OPEC), and supported by other producers including Russia, to cut output by 1.8 million bpd during the first half of the year.
- Data in Thomson Reuters Eikon shows that OPEC shipments to Asia, the world's biggest and fastest growing oil consuming region, were at 17.6 million bpd in March, up more than 5 percent since January, when the cuts officially started, in a sign that OPEC is shielding its main customers from the supply reductions.
- Unless OPEC extends the curbs beyond June or makes bigger cuts, traders say oil prices are at risk of falling further. OPEC's goal of drawing down inventories to normal levels is not going to be reached before their agreement expires on June 30.

### US Commodity Futures Trading Commission (CFTC) Data

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	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 broke higher on Thursday, as we continue to find bullish pressure in this market. If we can reach towards the \$18 handle, I think there will be a significant amount of resistance there but will more than likely be broken given enough time as well. I have no interest in shorting this market, looks very healthy and I believe that if the US dollar falls, this will continue to push precious metals much higher. Ultimately, I think we will eventually test the highs from February. It's not going to be very easy to deal with this type of choppiness. The general lack of clarity leaves us in a state of wanting to see more. With that in mind, we'll run with other themes of higher conviction and wait for cleaner set-ups in gold & silver with good risk/reward to present themselves. In terms of 'high' impact economic event is US Durable Goods Orders later today.

Pivot:	17.54		
Support	17.46	17.42	17.36
Resistance	17.63	17.69	17.56

### Highlights

- U.S President Donald Trump will get a second chance to try to close the deal with Republican lawmakers today
- U.S home resales fell more than expected in February amid a persistent shortage of houses on the market
- Economic recovery in the euro zone is gaining ground
- The dollar rebounded after jobless levels remained below showing a strengthening labor market
- A rough ride for the healthcare plan could affect Trump's efforts to cut taxes

### 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



Source: Meta Trader

### Fundamentals

- Silver prices rose slightly on Thursday, although gains were limited as the U.S. dollar stabilized and demand for riskier assets improved. May silver futures edged up 5 cents, or 0.3%, to \$17.63 a troy ounce.
- The silver contract fluctuated within a narrow range of \$17.53 and \$17.65 through the overnight session. The contract is on pace for modest gains this week.
- The U.S Dollar stabilized against a basket of other major currencies after plunging to four-month lows earlier in the week. The dollar index, a weighted measure of the buck against a basket of six competitors, rose 0.1% to 99.74.
- Demand for the dollar has weakened following the Federal Reserve's March 15 decision to raise interest rates. Analysts say a rate hike was already priced into the market, and the Fed's inability to provide a hawkish signal triggered a sharp correction in the currency.
- Demand for stocks also improved after a sharp decline earlier this week. Asian stock markets rose slightly. European markets were also mostly higher in intraday trade.
- U.S. equity futures traded slightly higher in the pre-market, pointing to a mixed start to the day on Wall Street. In economic data, U.K. retail sales strengthened much more than expected in February, painting a more robust picture of the economy ahead of the March 29 Brexit trigger.
- Receipts at retail stores jumped 1.4% from January, exceeding analysts' expectations of a 0.4% gain. Excluding fuel, retail sales advanced 1.3%, official data showed.
- Today, Regional Fed president James Bullard (St. Louis), John Williams (San Francisco), Charles Evans (Chicago) and William Dudley (New York) will be making the rounds.

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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

Friday, March 24, 2017



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Mar 24	12:45	EUR French Gross Domestic Product (YoY) (4Q)	Medium	1.1%	1.1%	1.2%
Fri Mar 24	13:30	EUR Markit/BME Germany Manufacturing PMI (MAR)	Medium	58.3	56.5	56.8
Fri Mar 24	13:30	EUR Markit Germany Services PMI (MAR)	Medium	55.6	54.5	54.4
Fri Mar 24	14:00	EUR Markit Eurozone Manufacturing PMI (MAR)	Medium	56.2	55.3	55.4
Fri Mar 24	14:00	EUR Markit Eurozone Services PMI (MAR)	Medium	56.5	55.3	55.5
Fri Mar 24	14:30	GBP BBA Loans for House Purchase (FEB)	Medium	42613	44900	44142
Fri Mar 24	17:30	CAD Consumer Price Index (YoY) (FEB)	High		2.1%	2.1%
Fri Mar 24	17:30	USD Durable Goods Orders (FEB P)	High		1.2%	2.0%
Fri Mar 24	22:00	USD Baker Hughes U.S. Rig Count (MAR 24)	Medium			789

Source: Forex Factory, DailyFX

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