

Gold

Technical

Gold markets rallied during the day on Monday, reaching towards the \$1260 level. If we can break down to a fresh, new high, and up sensibly the \$1265 handle, I am more than willing to serve buying again as we should reach towards the \$1300 level. In the meantime, short-term pullbacks should continue to offer value the traders will take advantage of as we have seen so much in the way of strength going forward. Longer-term, gold has a bright future, but we are going to see volatility occasionally. Ultimately, I believe that the \$1240 level should offer support. Momentum on gold prices which can be seen on the gold chart, is positive as the MACD 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 gold. The RSI pushed higher breaking out and poised to test a triple top near 71.

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

Highlights

- Gold futures jumped yesterday to finish at their highest level in a month as demand for assets perceived as risky waned
- The dollar dropped in the wake of GOP leaders' failure to replace Obamacare
- Gold is benefiting from the GOP health-care reform failure and greenback weakness
- Gold for April delivery rose \$7.20, or 0.6%, to settle at \$1,255.70 an ounce
- Yesterday, the U.S. Dollar Index fell 0.5% to 99.151 after trading as low as 98.858, its lowest level in four months

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 near one-month highs today in Asian session, supported by political and economic uncertainty in the United States and expectations of a lower dollar.
- Spot gold was little changed at \$1,253.41 an ounce, after touching its highest in a month at \$1,261.03 on Monday. U.S. gold futures inched down 0.2 percent to \$1,253.30.
- Investors report more investor buying interest after U.S. President Donald Trump failed to push through healthcare reform, fuelling concern about his ability to implement his economic policies.
- That worry also saw the dollar against a basket of currencies hit a four-and-a-half month low on Monday. This makes dollar-denominated gold cheaper for holders of other currencies, potentially boosting demand.
- The dollar has come under a lot of pressure and lifted gold. Changing perceptions of the outlook for U.S. interest rates will create volatility in gold. The U.S. Federal Reserve raised rates earlier this month, boosting the dollar, which could strengthen further on expectations of further rises after comments from its policymakers.
- However, some analysts expect to see the Fed on hold for some time, leaving the dollar to drift lower. Dollar weakness is something that could propel prices higher, especially in light of the latest CFTC report that shows dollar longs rose for a third week in a row despite ongoing weakness.
- This tells us that much more length remains to be disgorged, potentially being constructive for gold. Investor demand for gold can be seen in the world's largest gold-backed exchange-traded fund, New York-listed SPDR Gold Shares, which reported an inflow of 2.7 tonnes on Monday. resistance for gold is around \$1,260, near the 200-day moving average.

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 fell significantly during the day on Monday, reaching towards the \$47 level. If we can break down below there, oil markets will continue to drop from there and reach towards the \$45 handle. Short-term bounces should continue to be selling opportunities, as signs of exhaustion will return. I have no interest in buying oil, but I do recognize that there is a significant amount of support at the \$47 handle. The oversupply continues to be an issue, and of course there is the talk of an extended production cut by OPEC, but quite frankly US producers continue to extend drilling so the oversupply will continue to be an issue and therefore continue to push the market in a downward direction. I believe that the absolute ceiling in this market is somewhere near the \$50 handle. Prices remain oversold, as reflect by the RSI, which is a momentum oscillator.

Pivot:	47.87		
Support	47.60	47.42	47.14
Resistance	48.13	48.43	48.84

Highlights

- Oil traded around \$48 a barrel today, some 15 percent lower year-to-date because of concerns over rising U.S. production
- Oil prices finished lower, pressured by another weekly rise in the U.S oil-rig count
- May West Texas Intermediate crude fell 24 cents, or 0.5%, to settle at \$47.73 a barrel
- OPEC members increasingly indicated support for extending the cut beyond the current end date in June
- Baker Hughes showed the number of active U.S oil rigs rose 21 to 652 last week

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 rose today thanks to a weakened dollar, supply disruption in Libya and the latest comments from officials suggesting OPEC could extend its deal cutting global production.
- But crude oil was weighed down by a resurgence in U.S. shale oil production and the expectation that inventories in the country would once again build, illustrating the persistent global supply overhang that has depressed prices for three years.
- Prices for front-month Brent crude futures, the international benchmark for oil, gained 36 cents to \$51.11 per barrel. West Texas Intermediate (WTI) futures, the U.S. benchmark, were up 38 cents at \$48.11 a barrel.
- Brent rebounded from testing a support of \$50 a barrel on Monday and was underpinned by a weak dollar, which can attract investors to safer commodity markets while making oil cheaper for countries using other currencies.
- The dollar was slightly stronger against a basket of other leading currencies today but is still trading at levels not seen since last November. Both Brent and WTI jumped over 20 cents a barrel after it emerged Libya's oil output had fallen by roughly a third, or 252,000 barrels per day (bpd) because armed factions blocked production at the Sharara and Wafa oil fields.
- The contracts also rose after Iranian Oil Minister Bijan Zanganeh said the global oil cut agreement between the Organization of Petroleum Exporting Countries and other major producers was likely to be extended. Supply remains in focus ahead of the (U.S. Energy Information Administration) EIA report where an increase of more than 322,000 barrels will see Cushing hit a record.
- Rising stocks at Cushing tend to depress the U.S. benchmark price, widening its discount to Brent, which in turn makes U.S. crude oil attractive to importers. That undermines any OPEC efforts to cut supplies.

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 broke out to the upside during the day on Monday, slicing through the \$18 level. This is an area that has a certain amount of psychological resistance, but the recent high at \$18.50 will be a more stringent barrier. Economists think that its going to reach there, and then perhaps a breakout above, but there is a bit of an overbought situation, so pullbacks may be coming. Those pullbacks should be thought of as buying opportunities. I have no interest in shorting, Silver looks very strong going forward, so therefore I remain a buyer. Silver is trading very near the July-present trend-line and right around the 200-day MA. Bearish price action has yet to present itself (i.e. – key reversal bar, engulfing bar, etc.), but the stance is neutral to bearish at this juncture with resistance at hand in both gold and silver, along with support for the US dollar.

Pivot:	17.54		
Support	17.46	17.42	17.36
Resistance	17.63	17.69	17.56

Highlights

- U.S President Donald Trump's failure to push through a healthcare reform package raised questions over his ability to tax cuts
- The Dollar knocked off to a four-month low versus a basket of currencies
- Silver was up 1.8 percent at \$18.06 an ounce, off an earlier three-week high of \$18.12
- Some analysts expect to the Fed to keep rates on hold for some time, leaving the dollar to drift lower
- The U.S Federal Reserve raised interest rates this month

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 more than 1% in yesterday's trading session, as precious metals caught another tailwind from a falling U.S. dollar, while stocks sold off in futures trading.
- May silver futures climbed 22 cents, or 1.3%, to \$17.97 a troy ounce. Prices are trading near one-month highs following a two week rally. The rally was triggered by another sharp drop in the U.S Dollar combined with risk aversion in the equity markets following a failed healthcare bill in Washington on Friday.
- The U.S dollar index, a broad performance measure of the buck, fell 0.5% to 99.09. The loss puts the dollar on track for its weakest settlement since before the election.
- Asian and European stock markets were down across the board in early-week trade after President Trump's failed healthcare reform set the stage for a major correction on Wall Street. Japan's 225-issue Nikkei declined 1.4%. Mainland China's CSI 300 Index was down 0.3%.
- European equities were down across the board. The pan-European Stoxx 600 was heading for a loss of 0.5%. U.S. equity futures declined sharply in pre-market hours, pointing to a volatile start to New York trading. Dow Jones futures were off more than 100 points. Futures on the S&P 500 Index also fell 0.8%.
- In economic data, German business confidence data released yesterday showed that it has strengthened to a five-year high in March, a sign Europe's largest economy is regaining momentum.
- The Munich-based IFO Institute said its business climate index rose to 112.3 in March from 111.1 in February. The reading easily beat analysts' forecast, which called for no change. The U.S. dollar index continued to stabilize near four-month lows.

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 28, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Mar 28	17:30	USD Advance Goods Trade Balance (FEB)	High	-\$64.8b	-\$66.4b	-\$68.8b
Tue Mar 28	17:30	USD Wholesale Inventories (FEB P)	Medium	0.4%	0.2%	-0.3%
Tue Mar 28	17:30	USD Retail Inventories (MoM) (FEB)	Low	0.4%		0.8%
Tue Mar 28	18:00	USD S&P/Case-Shiller Composite-20 (YoY) (JAN)	Medium		5.6%	5.6%
Tue Mar 28	18:00	USD S&P/Case-Shiller US Home Price Index (YoY) (JAN)	Medium			5.9%
Tue Mar 28	19:00	USD Consumer Confidence (MAR)	High		114.0	114.8
Tue Mar 28	19:00	USD Richmond Fed Manufacturing Index (MAR)	Low		15	17
Tue Mar 28	21:45	USD Fed's George Speaks in Midwest City, OK	Low			
Tue Mar 28	21:50	USD Fed Chair Janet Yellen Speaks	High			

Source: Forex Factory, DailyFX

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