

Gold

Technical

Gold markets initially fell on Thursday but found enough support to turn things around and form a bit of a hammer as we continue to find buyers on dips. Because of this, I remain bullish and I believe the gold will eventually break out. There is a lot of volatility though, so I prefer looking for short-term pullbacks in order to pick up the value necessary to go long. Once we break above the \$1265 level, I think that the market will find enough momentum to reach towards the \$1300 level above there. Support on the yellow metal is seen near the 10-day moving average at 1,244. Additional dovish comments from the ECB also helped the dollar gain strength. The RSI (relative strength index) which is a momentum oscillator that measures accelerating or decelerating momentum, rolled over failing to reach resistance near the 70 handle, which reflects a decline in upward momentum.

Pivot:	1,243		
Support	1,239	1,235	1,230
Resistance	1,244	1,247	1,251

Highlights

- Gold futures settled lower yesterday, adding to a monthly loss, as the U.S. dollar regained its footing above a key technical level
- Gold fell \$8.80, or 0.7%, to settle at \$1,248 an ounce
- Gold got a brief surge of safe-haven demand early this week upon the failure of the Republican health care reform
- The retreat for gold came as the dollar climbed back above 100
- A stronger dollar can weigh on commodities priced in the currency

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 remained steady today with global political uncertainty, the upcoming elections in Europe in particular, seen supporting prices of the yellow metal, driving the metal to its best quarter in a year.
- Spot gold was little changed at \$1,242.90 per ounce. It was on track to finish March down about 0.5 percent, its first monthly decline this year. However, spot prices were set for their best quarter since the quarter ended March last year, gaining about 8 percent.
- In the short term, factors including a strengthening dollar could pull prices down to around the \$1,230 an ounce range. However, the fundamentals are still bullish for gold, especially with the upcoming elections in France and elsewhere in Europe. So prices are not really expected to go much lower from here.
- U.S. gold futures fell 0.2 percent to \$1,242. Spot gold may fall into the range of \$1,235-\$1,236 per ounce, as suggested by its wave pattern and a Fibonacci ratio analysis.
- The dollar index was up 0.1 percent at 100.51, near a two-week high hit earlier in the session, supported by solid U.S. economic data. U.S. economic growth slowed less than previously reported in the fourth quarter as robust consumer spending provided a boost that was partially offset by the largest gain in imports in two years.
- The greenback was further supported by comments from New York Federal Reserve President William Dudley on Thursday that reinforced the notion that core U.S. central bankers are confidently on the road to tighter monetary policy after having hiked interest rates twice in three months.
- Meanwhile, holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, which is seen as a gauge of investment sentiment, reported an outflow of 1.2 tonnes on Thursday.

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 broke down during the session on Thursday, finally clearing the \$50 handle. By doing so, it looks like we are entering the next leg higher, and therefore short-term pullback should offer buying opportunities. Currently, it appears that comments from a Kuwait oil minister may have set the market higher, but it certainly is in the hands of the buyers. I have no interest in selling unless we can break below the \$49.50 level, and after the action on Thursday it seems very unlikely. Because of this, I remain bullish over the short-term. Longer-term, I still think that the oversupply will be an issue going forward but the next couple of months will probably feature a lot of buying pressure and therefore long opportunities. Momentum has turned positive as the MACD (moving average convergence divergence) index generated a crossover buy signal.

Pivot:	50.32		
Support	49.75	49.25	48.85
Resistance	50.65	51.02	51.40

Highlights

- Oil headed for its biggest weekly increase this year amid speculation OPEC will extend its deal to curb output
- The latest comments from Kuwait's oil minister are bolstering confidence in OPEC's commitment
- Five producers from the OPEC joined with non-member Oman on Sunday to voice support for an extension
- West Texas Intermediate for May delivery was at \$50.16 a barrel
- Oil gained 84 cents to \$50.35 yesterday, closing above \$50 for the first time since March 8

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 fell today after a three-day rally ran out of steam due to a stronger dollar, promising to notch up the oil market's worst-performing quarter since 2015 as investors fret that growing U.S. supplies are undermining OPEC-led cuts.
- Brent crude futures have made the biggest losses across global asset classes this quarter. In March, the contracts posted the biggest monthly losses since July as growing U.S. crude inventories and drilling activity counterbalanced production cuts elsewhere in the world.
- Brent futures were down 53 cents at \$52.43 a barrel. The contracts have lost around 7 percent since the previous quarter, the worst quarterly losses since late 2015.
- U.S. crude futures were down 36 cents at \$49.99 a barrel, slipping back below \$50. They too are on track to end the quarter around 7 percent lower, also the worst quarterly losses since late 2015.
- The dollar .DXY was on track to mark its strongest week in seven, weighing on greenback-denominated commodities such as oil. I wouldn't be surprised to see some profit-taking ahead of the weekend after the strong gains in recent days.
- The expected rise in the U.S. rig count later today provides some arguments to sell at last. Later on Friday, energy services firm Baker Hughes will publish weekly U.S. oil rig figures. The indicator has shown huge gains, with the rig count doubling in a 10-month recovery and undermining efforts led by the Organization of the Petroleum Exporting Countries to rein in output.
- Oil prices had gained momentum this week on a growing sense that OPEC and non-member Russia would extend their production cut, seeking to drive the market higher.

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 fell initially on Thursday, but just as we have seen over the last couple of sessions, \$18 has offered significant support. This tells me that more than likely we will continue to go higher, and as a result I am bullish of the market. I believe that we will reach towards the \$18.50 level above, and then eventually break out above there as well. Given enough time, I think we will reach the \$20 handle. I have no interest in selling and believe that even if we did breakdown below \$18, we would find significant support at \$17.75. Silver is holding up better than gold, and after nine consecutive up-days it is looking to take a breather from around the trend-line running down off the July spike-high. On a pullback silver could touch off on a trend-line rising up from the month low, but it's not the most convincing trend-line yet given its lack of inflection points.

Pivot:	18.07		
Support	18.00	17.90	17.81
Resistance	18.15	18.24	18.30

Highlights

- Silver prices declined slightly, as investors kept an eye on the economic calendar
- The growth in the U.S. Dollar was driven by strong economic reports, including higher than expected GDP growth in the fourth quarter
- Silver prices always have a direct correlation with currencies, inflation numbers and Fed's monetary policy
- Silver prices declined to \$18.07 per ounce, down from March 2 high of \$18.43
- Silver has outpaced gold and the S&P 500 by a wide margin

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

- Following a strong rally, silver prices declined slightly in yesterday's trading, impacted by upcoming speeches from Federal Reserve officials. In addition, the momentum in the U.S. dollar has also impacted the gray metal in the latest session.
- May silver futures were down 6 cents, or 0.3%, at \$18.19 a troy ounce. Prices hovered within a narrow range of \$18.14 and \$18.26 through the overnight session.
- The grey metal has gained nearly 4% since last Friday's close and is on track for its second consecutive weekly advance. Prices have recovered more than 7% since the March 15 low.
- Investors are eyeing a string of Federal Reserve speakers over the next two days. Federal Open Market Committee members Loretta Mester and Robert Kaplan are scheduled to speak later in the day.
- Today, FOMC member Neel Kashkari and James Bullard of the St. Louis Fed will also deliver speeches. The U.S. dollar was little changed against a basket of global peers, as calm returned to the currency markets after weeks of volatility. The dollar index has gained in each of the last two sessions, and is currently trading at more than one-week highs.
- The USD Index, which tracks the U.S. dollar to its major rivals, increased to nearly the highest level in the last two weeks. The USD index is currently standing around 100.50, up almost 0.9% this week. The growth in the U.S. Dollar was driven by strong economic reports, including higher than expected GDP growth in the fourth quarter.
- In Q4, U.S GDP was revised to 2.1%, compared to the consensus estimate of 1.9%. The growth in GDP was the result of strong consumer spending in the fourth quarter, increasing 3.5% from 3% in the same period last year.

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

Friday, March 31, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Mar 31	04:01	GBP GfK Consumer Confidence Survey (MAR)	Medium	-6	-7	-6
Fri Mar 31	04:30	JPY National Consumer Price Index (YoY) (FEB)	High	0.3%	0.2%	0.4%
Fri Mar 31	06:00	CNY Manufacturing PMI (MAR)	High	51.8	51.7	51.6
Fri Mar 31	10:00	JPY Housing Starts (YoY) (FEB)	Medium	-2.6%	-1.2%	12.8%
Fri Mar 31	11:00	EUR German Retail Sales (YoY) (FEB)	Medium	-2.1%	0.4%	2.7%
Fri Mar 31	12:55	EUR German Unemployment Change (MAR)	High	-30k	-10k	-17k
Fri Mar 31	17:30	CAD Gross Domestic Product (YoY) (JAN)	High		1.8%	2.0%
Fri Mar 31	17:30	USD Personal Income (FEB)	Medium		0.4%	0.4%
Fri Mar 31	17:30	USD Personal Spending (FEB)	Medium		0.2%	0.2%

Source: Forex Factory, DailyFX

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