

Gold

Technical

Gold markets continue to be very noisy, as it has gone back and forth yesterday to try to find some type of traction. The market breaking down below the previous uptrend line of course is a negative sign, but if it were to turn around and rally above the \$1305 level, that would of course show extreme strength. Economists believe that given enough time it will find support underneath, perhaps at the \$1275 level which has been important more than once. It shows the choppiness and of course the volatility will continue to be a major issue. If it did break above the \$1305 level, it's likely that it could go to the \$1325 level next. Market player think that would be an extreme show strength, and probably driven due to either some type of geopolitical concerns, or perhaps some type of selloff in the US dollar. The interest rates in the United States rising will continue to cause a bit of an issue.

Pivot:	1,295		
Support	1,287	1,285	1,282
Resistance	1,298	1,301	1,306

Source: FX EMPIRE

Highlights

- Gold prices rose yesterday as the U.S dollar backed off its highs against a basket of currencies
- Higher interest rates make non interest-bearing assets like gold less attractive
- The dollar, in which gold and other commodities are priced, rose versus a basket of currencies but came off its highs
- Moves in the dollar can influence gold because the precious metal is traded in the greenback
- For gold to get back above \$1,300, it will need the U.S dollar to stop rising, and ideally the stock markets too

Gold - Technical Indicators

RSI 14	41.13
SMA 20	1,325.5
SMA 50	1,298.3
SMA 100	1,288.0
SMA 200	1,309.5

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices edged higher for a second day today as the dollar extended losses after minutes of the latest Federal Reserve meeting hinted at a dovish approach to interest rate hikes in the United States.
- Spot gold was up 0.1 percent at \$1,294.58 per ounce, after gaining nearly 0.2 percent in the previous session. U.S gold futures for June delivery were up 0.3 percent at \$1,294 per ounce.
- The dollar index, which measures the greenback against a basket of six major currencies, eased 0.1 percent at 93.925. Gold has shown reduced volatility in the last few trading sessions as it attempted a break above \$1,300 and prices are waiting for a new clear direction.
- Asian shares moved lower as investors fretted about new setbacks in U.S and China trade talks, but negative sentiment was tempered by U.S Federal Reserve meeting minutes suggesting it would not raise the tempo at which it increases interest rates.
- Most Federal Reserve policymakers thought it likely another interest rate increase would be warranted soon if the U.S economic outlook remains intact, minutes of the central bank's last policy meeting showed.
- Policymakers once again debated the inflation path. Several noted that recent wage data provided "little evidence" of overheating in the labor market, while some others saw a risk that supply constraints would intensify upward wage and price pressures, or that financial imbalances could emerge.
- Gold also saw some safe-haven support after President Sergio Mattarella gave political novice Giuseppe Conte a mandate to lead the first government in Italy made up of anti-establishment parties that have vowed to shake up the European Union.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
12/08/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
12/15/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
12/12/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
12/29/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

Crude Oil market has fallen a bit during the trading session yesterday, reaching down towards the \$71 level, an area that has been supportive in the past. However, if it break down below that level, it's likely that we could see support at the \$70 level. Ultimately, I think that the \$70 level should put a bit of a "floor" in the market, but if it were to break down below there are plenty of reasons for this market to rally despite the surprise number that came out during the session.

Brent markets also fell during the day, reaching towards the \$78 level. There is the \$80 level above that has offered a significant amount of resistance, as it is a large come around, psychologically significant number. It has offered resistance twice, more particularly at the \$80.50 level, so the question now is whether that is a bit of a double top. If it break down below the \$78 level, it could reach towards the \$77 level next.

Pivot:	71.65		
Support	71.40	71.20	70.80
Resistance	72.05	72.25	72.50

Source: FX EMPIRE

Highlights

- Crude oil futures fell yesterday, pressured by a surprise jump in weekly U.S crude supplies
- Rise in oil came as a result of decent sized drop in exports and a large increase in imports
- Crude inventories rose 5.8 million barrels in the week to May 18, as it was expected for a decrease of 1.6 million barrels
- U.S sanctions against Iran is also cause of shortages as it produces 4% of global oil supplies
- Refinery crude runs fell by 7,000 bpd. While Refinery utilization rates rose by 0.7 percentage point to 91.8 percent of total capacity

Crude - Technical Indicators

RSI 14	35.14
SMA 20	48.32
SMA 50	50.76
SMA 100	54.32
SMA 200	59.24

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell today on expectations that OPEC members will step up production in the face of worries over supply from both Venezuela and Iran. A surprise build up in crude oil inventories in the United States also weighed on prices, driving the spread between Brent crude and U.S West Texas Intermediate close to its widest in three years.
- International benchmark Brent futures were down 27 cents or 0.34 percent, at \$79.53 per barrel. U.S West Texas Intermediate crude futures were down 17 cents or 0.24 percent, at \$71.67 a barrel.
- The Organization of Petroleum Exporting Countries (OPEC) may decide to increase oil output to make up reduced supply from Iran and Venezuela in response to concerns from Washington over a rally in oil prices.
- Supply concerns in Iran and Venezuela following new U.S sanctions had pushed both Brent and WTI to multi-year highs, with Brent breaking through an \$80 threshold last week for the first time since November 2014.
- U.S crude oil stockpiles climbed unexpectedly last week as net imports jumped, while gasoline stocks also posted a surprise build, the Energy Information Administration said yesterday.
- Inventories rose in part due to a sharp 1.4 million-barrels-per-day hike in net crude imports. Exports fell 818,000 bpd last week to 1.7 million bpd, after reaching a weekly record of 2.6 million bpd in the previous week.
- The large rise in crude oil inventories made for a bearish report, and it came as a result of decent sized drop in exports, along with a large increase in imports.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
12/08/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
12/15/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
12/12/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
12/29/2017	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 down rather significantly during the trading session yesterday, as the US dollar showed a lot of strength. There was a lot of headwinds in the currency markets when it came to precious metals, and silver reach down to the \$13.30 level, an area that has been important more than once. It will continue to try to find reasons to go higher, and in the viability of the silver rally over the longer-term. Economists think that silver may be helped by non-US denominated markets, as silver will most certainly continue to strengthen against the British pound and the Euro. That has a bit of a knock-on effect over here, but this market will probably rally much lower than the other ones. If it could break above the \$16.60 level, the market could very well go much higher. The \$16 level underneath is a significant support level, and it is more of a "zone" that extends down to the \$15.50 level.

Pivot:	16.43		
Support	16.29	16.24	16.16
Resistance	16.55	16.67	16.75

Source: FX EMPIRE

Highlights

- Silver prices fell 0.8 percent at \$16.39 an ounce as the metal is moving relative to the dollar
- The dollar fell after the latest Federal Reserve meeting hinted at a dovish approach to rate hikes later this year
- Silver is often seen as a safe investment during times of political and financial uncertainty
- A gain in the dollar makes silver more expensive for holders of foreign currency
- Market-based measures of inflation compensation remain low, survey-based measures of longer-term inflation expectations are little changed

Silver - Technical Indicators

RSI 14	39.31
SMA 20	17.68
SMA 50	17.25
SMA 100	16.93
SMA 200	16.81

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices dithered today after relinquishing the wide gains of yesterday and closing flat, as risk appetite goes through similar stages of volatility. Silver prices last traded at \$16.53 an ounce, same as the opening price, with an intraday high at \$16.57, and a low at \$16.51.
- US treasury secretary at first hinted at almost reaching a deal with China to solve the trade dispute, but then President Donald Trump expressed his discontent about the ongoing talks.
- Markets await the Federal Reserve's minutes for the last meeting, at which policymakers held interest rates steady. Investors seek clues about the next step in the Fed's path towards policy tightening, and to assess the chances of a rate hike in June.
- Silver has been under pressure the last few weeks and is now consolidating at lower levels. It appears that the lows are in for now and the next move will be higher. It also has been traded lower, with one being the strength of the U.S. dollar. If that's the case, it shows that silver was weak as the dollar was collapsing from 103 to 88.
- All markets trade in different phases and although there is a direct correlation between commodities and the dollar over time, they are related during different cycles.
- Silver prices trimmed daily losses after Federal Reserve's May meeting minutes signaled a rate hike in June. The minutes showed that most Federal Reserve policymakers viewed another interest rate hike as being warranted "soon," if the U.S economic outlook holds up.
- Most participants judged that if incoming information broadly confirmed their current economic outlook, it would likely soon be appropriate to take another step in removing policy accommodation.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/08/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/15/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/12/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
12/29/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Thursday, May 24, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs May 24	11:00	EUR German Gross Domestic Product w.d.a. (YoY) (1Q F)	Medium	2.3%	2.3%	2.3%
Thurs May 24	11:00	EUR German GfK Consumer Confidence (JUN)	Medium	10.7	10.8	10.8
Thurs May 24	12:00	GBP Carney, Dudley Speak at BOE Markets Forum in London	High			
Thurs May 24	13:30	GBP Retail Sales Ex Auto Fuel (YoY) (APR)	Medium		0.4%	1.1%
Thurs May 24	17:30	USD Initial Jobless Claims (MAY 19)	Medium		220k	222k
Thurs May 24	17:30	USD Continuing Claims (MAY 12)	Medium		1750k	1707k
Thurs May 24	18:00	USD House Price Purchase Index (QoQ) (1Q)	Medium		0.7%	1.6%
Thurs May 24	18:00	USD House Price Index (MoM) (MAR)	Medium			0.6%
Thurs May 24	19:00	USD Existing Home Sales (MoM) (APR)	Medium		-0.9%	1.1%

Source: Forex Factory, DailyFX

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