

## Gold

### Technical

Gold markets initially try to rally yesterday but found enough resistance to the \$1305 level to turn around and fall significantly below the \$1300 level. There is plenty of support underneath though, especially at the uptrend line as it can see on the chart. Economists think that it will probably continue to see a lot of support underneath, and it's only a matter of time before the buyers get involved and push this market to the upside. If it do break down below that uptrend line, that's a very negative sign and could break this market apart. The market will eventually find some type of clarity and continue to move. On the other hand, if it rally above the \$1308 level, the market should continue to go higher and continue to climb a bit from there, perhaps towards the \$1325 level. The uptrend line is going to be very crucial and market players think that market will probably go looking towards \$1275 level.

Pivot:	1,296		
Support	1,292	1,290	1,287
Resistance	1,303	1,307	1,311

Source: FX EMPIRE

### Highlights

- Gold prices ends lower as Dollar gains, find some support on Italy turmoil
- Gold is often seen as a safe investment during times of political and financial uncertainty
- Prices based on the most-active contracts rose roughly 1% climb for last week, lifting them back above \$1,300
- Gold, seen as a safe haven, often gains from political turmoil
- Gold has been behaving exceptionally well and it continues to maintain an uptrend against the U.S dollar as well

### 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 up today as political turmoil in Italy and concerns over Sino-U.S trade conflict spurred safe-haven demand, though a strong dollar limited gains for the metal.
- Spot gold was 0.1 percent higher at \$1,298.86 per ounce. U.S gold futures for June delivery were nearly unchanged at \$1,298.80 per ounce. The dollar index, which measures the greenback against a basket of six major currencies, hovered near its 6-1/2 month peak touched in the previous session.
- Rising political uncertainty in Italy and growing U.S and China trade tensions should see gold holding a bid. But with the yellow metal's sensitivity to the U.S dollar on full display, it is unlikely gold will move significantly higher until we reach the EU 'Crisis Zone' which we are nowhere near at this stage.
- Although risk aversion has the ability to support gold in the short term, an appreciating dollar and expectations of higher U.S interest rates are likely to continue weighing heavily on the yellow metal in the medium to longer term.
- Further supporting gold was a slide in Asian stocks, which extended a global sell-off today as Italy's political crisis rippled across financial markets. Political worries in Italy seeped into markets across much of the globe, a development that historically might send the haven metal markedly higher.
- Investors fear that repeat elections in the euro zone's third-largest economy, could come as soon as July - may become a de-facto referendum on Italian membership of the currency bloc and the country's role in the European Union.
- Meanwhile, the United States said yesterday that it still holds the threat of imposing tariffs on \$50 billion of imports from China and will use it unless Beijing addresses the issue of theft of American intellectual property.

### 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

The Crude Oil market has rallied yesterday, but not an easy trade to take as it has been so choppy. The uptrend line underneath should continue to offer plenty of support, so that it could take advantage of this obvious area. There should be plenty of value to be had for longer-term holders though, unless of course it can break through the psychologically important trend line below at the \$66 level. If it break down below there, then the market becomes a net selling opportunity. Until then, small positions could be taken on the thought process that the uptrend line holds. Brent markets have also rallied yesterday, reaching towards the \$76 level. The market looks likely to continue to be attracted to the \$75 level as possible value, but if it were to break down below the \$74.50 level, then the market probably drops down to the \$72.50 level.

Pivot:	66.70		
Support	65.75	64.90	64.10
Resistance	67.30	68.00	68.55

Source: FX EMPIRE

### Highlights

- U.S oil prices ends at 6 week low, down a 5th straight session
- A stronger dollar means oil is more expensive in euros
- The reduction has been concentrated in crude, where net long positions in Brent and WTI were cut by 169 million barrels
- The eurozone is a net importer of oil and its higher cost could crimp businesses and consumers
- Hedge funds and other money managers reduced their net long position in the six major petroleum futures

### 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

- U.S and global benchmark oil prices diverged yesterday, with concerns about a potential rise in oil supply pulling West Texas Intermediate crude down for a fifth straight session.
- July WTI fell by \$1.15 or 1.7% to settle at \$66.73 a barrel on the New York Mercantile Exchange, the lowest finish since April 17. July Brent crude however, tacked on 9 cents or 0.1% to \$75.39 a barrel on ICE Futures Europe.
- While oil futures have been pushed lower in recent days by the prospect of increased production, the U.S benchmark has fallen more of late than Brent. That is a surprising divergence, as Brent is more exposed than WTI to higher production in Russia and Saudi Arabia.
- Investors also believe that the shale oil will keep WTI grounded, versus the Brent price. Even with increases in OPEC production, Europe still needs more light crude to stay supported.
- Oil prices came under pressure last week after media reports that the Organization of the Petroleum Exporting Countries and Russia are discussing plans to lift their production for the first time since 2016.
- OPEC and a group of non-OPEC countries led by Russia have curbed production since January 2017 in an effort to tackle the global supply glut that had pulled prices to multiyear lows. Global inventories are now close to OPEC's target, which has helped push up prices to three-year highs in recent weeks.
- The dollar oil price is 9% higher and has risen more 11% in euro terms. Higher fuel costs will raise near-term inflation. Assuming the oil price stays around current levels and inflation rising to 1.9% in June and July.

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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 yesterday, slicing through an uptrend line on the hourly chart. Regardless, eventually could buy this market again, because the Silver markets will continue to benefit from a lot of geopolitical noise and of course concerned. While the rising US dollar has a bit of a negative effect on Silver, it still remains rather resilient, with a bit of a “floor” at the \$16 level. Economists believe that these dips should continue to offer buying opportunities, and longer-term investors continue to put this market to work, perhaps billing up physical silver supplies and investments for longer-term people to get involved. The market is one that can buy at short-term pullbacks in a leveraged market, but physical silver as the markets do tend to be rather drastic and momentum driven. The CFD markets could continue to be a great way to play this market as well.

Pivot:	16.32		
Support	16.24	16.18	16.12
Resistance	16.43	16.55	16.63

Source: FX EMPIRE

### Highlights

- Spot silver lost 0.5 percent at \$16.38 an ounce, earlier hitting \$16.28, an eight-day low
- The U.S dollar index is solidly higher and hit a 10.5-month high, as the greenback continues its surge higher
- A return to higher silver prices may just be the catalyst needed to reinvigorate investor interest
- U.S benchmark 10-year Treasury yields posted their largest one-day drop since Britain voted to exit the European Union nearly two years ago
- Silver seen as a safe haven, often gains from political turmoil

### 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 opened the session lower yesterday before returning higher and recouping some of the losses, however, dollar's strength has kept a cap on recovery efforts. Silver last traded at \$16.45 an ounce, compared to the opening of \$16.42, with a session-high at \$16.49, and a low at \$16.42.
- Asian stocks lost some ground today, helping silver recover some of the earlier losses as an alternative investment, while the dollar index strengthened and kept the pressure on commodities.
- Risk appetite returned to market after the resumption of the US-North Korean summit days after President Donald Trump scrapped the talks. in turn hurting haven demand on silver, especially as dollar widened gains.
- Macroeconomic, company fundamentals and valuation all point toward an opportunity for investors to benefit from increased exposure to precious metal equities.
- The current rising inflation environment brings with it our expectations of a more rapid rate hike cycle, though in future years we still do project one of the slowest tightening cycles in U.S economic history while monetary policy ex-U.S looks set to remain loose.
- The strong downside pressure on the Euro currency, which fell to a seven-month low against the U.S dollar overnight. U.S stocks are also taking a hit today on geopolitics and slumping oil prices.
- U.S Treasuries are saw safe-haven demand today, on the geopolitics. While silver prices are not seeing much of a safe-haven bid, so far, the Italian and Spanish political uncertainty could boost the white metal if the marketplace perceives those two countries as moving away from the European Union bloc of countries.

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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

Wednesday, May 30, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed May 30	16:00	USD MBA Mortgage Applications (25 MAY)	Medium			-2.6%
Wed May 30	17:00	EUR German Consumer Price Index (YoY) (MAY P)	High		1.9%	1.6%
Wed May 30	17:15	USD ADP Employment Change (MAY)	Medium		190k	204k
Wed May 30	17:30	USD Wholesale Inventories (MoM) (APR P)	Medium		0.5%	0.3%
Wed May 30	17:30	USD Gross Domestic Product Annualized (QoQ) (1Q S)	High		2.3%	2.3%
Wed May 30	17:30	USD Gross Domestic Product Price Index (1Q S)	High		2.0%	2%
Wed May 30	17:30	USD Advance Goods Trade Balance (APR)	High		-\$71.0b	-\$68.0b
Wed May 30	19:00	CAD Bank of Canada Rate Decision (30 MAY)	High		1.25%	1.25%
Wed May 30	19:45	CHF SNB's Jordan Speaks in Solothurn	High			

Source: Forex Factory, DailyFX

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