

Gold

Technical

December Comex Gold futures are trending lower on Monday shortly before the regular session opening. Prices fell to their lowest level in over two weeks as the dollar and equities rallied. Gold prices have been under pressure lately with investors dismissing geopolitical risks and instead focusing on the possibility of rate hikes from the European Central Bank and the U.S. Federal Reserve. As of Friday's close, Fed funds futures implied traders saw a 1.4 percent chance of a rate hike in September and a 53 percent chance of a December rate hike, according to CME Group's FedWatch tool. The main trend is up according to the daily swing chart, however, momentum has been trending lower since September 8. Today's price action took out \$1319.50, negating the potentially bullish closing price reversal bottom. The main trend will change to down on a trade through \$1302.30.

Pivot:	1,315		
Support	1,311	1,308	1,304
Resistance	1,324	1,331	1,335

Highlights

- Gold slipped to its lowest level in over two weeks early today amid a firmer Dollar
- Prospects of monetary policy tightening ahead of the Fed's two-day meeting starting tomorrow also weighed on the metal
- The dollar held firm near a seven-week high against the yen today
- U.S. retail sales unexpectedly fell in August and industrial output recorded its biggest drop since 2009
- Euro zone wages grew at their fastest rate in two years in the second quarter

Gold - Technical Indicators

RSI 14	78.49
SMA 20	1,205.2
SMA 50	1,174.3
SMA 100	1,198.5
SMA 200	1,225.8

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold hit a two-and-a-half-week low in today's European trading session as the dollar rose ahead of a two-day Federal Reserve meeting and as global equities surged.
- The dollar hit an eight-week high against the yen as data showing a pick-up in U.S. consumer prices increased bets that the Fed could raise interest rates again in December.
- Investors also expect the Fed will announce plans to start trimming its balance sheet at its meeting on Tuesday and Wednesday in a move that should support the dollar and weigh on dollar-priced gold.
- World stocks hit a record high ahead of the Fed meeting, with investors favouring risky assets ahead of perceived safe havens such as gold. Spot gold was down 0.4 percent at \$1,313.58 an ounce, having earlier touched \$1,312.03, its lowest since Aug. 31. U.S gold futures for December delivery fell 0.6 percent to \$1,317.20.
- Gold could fall below \$1,300 in the short term, but the question remains how people perceive the U.S. economy and the need for higher interest rates. At this stage there's still not a strong view the U.S. economy will accelerate. That should keep interest rates at a manageable level and provide some support for gold.
- Persistently subdued inflation despite a pick-up in global growth remains the "trillion dollar" question for central banks looking to normalise policy, the Bank for International Settlements said on Sunday.
- Many investors currently put a December rate hike at less than a 50 percent probability in the futures market. On the political front, commodity investors largely brushed aside concerns after a relatively quiet weekend on the Korean peninsula.

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

Oil prices rose higher on Friday, marking their biggest weekly gain since July in reaction to a bullish report by IEA. WTI Crude oil prices continue to rise on Monday morning to trade at \$50.76, up 0.60%. According to OPEC, production in August fell by 79,000 barrels a day (bpd) to 32.76 million. OPEC's secretary-general Mohammad Barkindo said: "It is clear that the rebalancing process is underway." indicating that growing demand in the second half of the year would continue to cut supplies. Data from IHS Markit indicated that 13 of 20 affected U.S. refineries were restarting operations after Harvey refinery recovery. According to reports from Baker Hughes – weekly count of oil rigs operating in the United States declined by 7 to 749. The crude oil market trend gives us the impression that the lower highs and lower lows are constantly repeated to create a Double top.

Pivot:	50.08		
Support	49.60	49.15	48.75
Resistance	50.50	50.85	51.20

Highlights

- Oil futures turned moderately lower today, failing to hold on to early gains
- Crude oil prices rose to a five-month high last week, buoyed by recent data showing tightening supplies
- West Texas Intermediate futures declined 26 cents, or 0.5%, to \$49.63 a barrel
- The latest U.S. oil-rig count on Friday showed the number of rigs fell for the second week in a row, dropping by seven to 749
- The Organization of the Petroleum Exporting Countries said it had reduced output in August

Crude - Technical Indicators

RSI 14	37.83
SMA 20	46.58
SMA 50	50.15
SMA 100	51.59
SMA 200	49.94

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- U.S. crude oil prices slipped below \$50 per barrel today but stayed close to multi-month highs amid a drop in shale drilling and as refineries continued to restart after Hurricane Harvey.
- U.S. West Texas Intermediate (WTI) crude futures were down 27 cents at \$49.62, but still close to Thursday's near-four month high of \$50.50. Demand forecasts from OPEC and IEA continued to improve sentiment in the market. Refineries are also reporting a much better recovery from the recent hurricanes.
- Oil refineries across the Gulf of Mexico and the Caribbean were restarting after being shut as hurricanes Harvey and Irma battered the region over the past three weeks.
- The refinery restarts are occurring as signs emerge of stalling growth in the U.S. shale industry. The number of rigs drilling for oil in the U.S. fell sharply last week.
- U.S. energy firms cut seven oil rigs in the week to Sept. 15, bringing the total to 749, the fewest since June, energy services company Baker Hughes said on Friday.
- The falling rig count should help underpin crude prices, but questioned how much higher prices could rally "before the gravitational forces of global supply and demand can start to form an upper limit.
- Speculators raised their net long positions in Brent futures and options by 16,962 contracts to 430,699 in the week to Sept. 12, InterContinental Exchange (ICE) data showed, the highest level since March.
- Hedge funds and other money managers cut their bullish bets on U.S. crude futures and options in the week to Sept. 12, the U.S. Commodity Futures Trading Commission reported on Friday.

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 rolled over a bit during the day on Friday, and formed a shooting star on the weekly chart. As Silver has gotten a boost from a “risk off” trade, it’s likely that the market may continue to find softness. If we can break down below the \$17.50 level, I think that the market will go down to the \$17 level. As far as buying is concerned, I would need to see a clearance of the \$17.80 level. This market has gotten a bit ahead of itself over the last several weeks, so a pullback is probably going to be healthy. Silver markets tried to rally during the week but turned around to form a shooting star. The shooting star since above the \$17.50 level, so if we break down below there I think we will get a pull back to the \$17 level. Alternately, if we can break above the \$18 level, we should go looking towards the \$18.50 level. I suspect that we are going to see selling pressure sooner rather than later.

Pivot:	17.55		
Support	17.47	17.31	17.13
Resistance	17.75	17.84	17.98

Highlights

- Precious metals have fallen after a European Central Bank (ECB) official calls for scaling back the bank’s stimulus program
- Silver slipped 0.4 percent to \$17.51 an ounce, after earlier hitting its lowest since Sept.1
- The two-day Fed Open Market Committee meeting, which begins on Tuesday, will be closely watched by markets
- The U.S central bank is expected to announce its balance sheet reduction plans
- Investors currently put a December rate hike at less than a 50 percent probability

Silver - Technical Indicators

RSI 14	77.87
SMA 20	16.83
SMA 50	16.57
SMA 100	17.06
SMA 200	17.16

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices edged slightly lower on Friday, as investors reacted to the latest provocation from North Korea. Silver futures for December deliver slipped 3 cents, or 0.2%, to \$17.76 a troy ounce.
- The metal is on track for a weekly decline after a month-long rally drove prices to nearly five-month highs. The contract established an overnight trading range of \$17.67 and \$17.92
- Gold was little changed on Friday, and was also on track for a weekly drop. December bullion held relatively steady at \$1,328.80 a troy ounce on the Comex division of the New York Mercantile Exchange.
- Markets were surprisingly calm after North Korea fired its second missile over Japan in as many months. The test-launch, which occurred in the early morning local time, was confirmed by Japan’s top government spokesman.
- The Japanese yen immediately spiked after the news broke, but gave back the majority of its gains within minutes. The yen is a popular hedge against global volatility and is considered most sensitive to North Korea.
- The market’s subdued reaction suggests traders are getting less excited by Pyongyang’s provocations. The U.S. dollar moved lower against a basket of world currencies on Friday, but was still on track for a weekly gain. Last Friday, the greenback fell to its lowest level since January 2015.
- The dollar hit an eight-week high against the yen as data showing a pick-up in U.S. consumer prices increased bets that the Fed could raise interest rates again in December.
- Investors also expect the Fed will announce plans to start trimming its balance sheet at its meeting on Tuesday and Wednesday in a move that should support the dollar and weigh on dollar-priced gold and silver.

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

Monday, September 18, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Sep 18	03:30	NZD Performance Services Index (AUG)	Medium	57.3		56
Mon Sep 18	04:01	GBP Rightmove House Prices (YoY) (SEP)	Medium	1.1%		3.1%
Mon Sep 18	06:30	AUD New Motor Vehicle Sales (YoY) (AUG)	Low	1.7%		1.7%
Mon Sep 18	13:00	CHF Domestic Sight Deposits CHF (SEP 15)	Low	472.6b		471.5b
Mon Sep 18	14:00	EUR Euro-Zone Consumer Price Index (YoY) (AUG F)	Medium	1.5%	1.5%	1.3%
Mon Sep 18	19:00	USD NAHB Housing Market Index (SEP)	Medium		67	68
Mon Sep 18	20:00	GBP BOE Governor Carney Speaks at IMF in Washington, DC	High			
Mon Sep 18	20:30	USD U.S. to Sell USD42 Bln 3-Month Bills	Low			
Mon Sep 18	20:30	USD U.S. to Sell USD36 Bln 6-Month Bills	Low			

Source: Forex Factory, DailyFX

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