

Gold

Technical

Gold markets fell initially during the day yesterday, finding support just below the \$1230 level. Ultimately, this is a market that continues to find buyers on these dips as gold is a bit of a safe haven trade as of late. The market continues to be very skittish about global trade and of course rhetoric coming out of the mouths of politicians, so that of course will continue to be a major issue. Gold is historically cheap, at least looking at the last couple of years, and it has found a bit of a bottom underneath. Overall, this is a market that will continue to be erratic, as there is a lot of head wind out there that could get in the way of either direction for that matter. Looking at this chart, the \$1200 level is offering a major "floor", so a break down below there would change like, but it could perhaps even start to move that "floor" up to the \$1225 level depending on what happens over the next several days.

Pivot:	1,231		
Support	1,231	1,225	1,220
Resistance	1,249	1,244	1,240

Source: FX EMPIRE

Highlights

- Gold eased as the dollar firmed and speculators locked in profits from a more than three-month peak hit in the previous session
- Gold prices have gained more than 6 percent after falling to \$1,159.96 an ounce in mid-August
- The dollar index versus a basket of currencies rebounded 0.4 percent
- The most important reason is a little bit of a rebound in the U.S dollar, which has a negative effect on gold
- On Tuesday, the precious metal touched its highest since July 17 at \$1,239.68

Gold - Technical Indicators

RSI 14	45.44
SMA 20	1,267.2
SMA 50	1,252.1
SMA 100	1,256.3
SMA 200	1,277.8

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices rose today towards a more than three-month high hit earlier this week, as a selloff in global equities triggered safe-haven bids for the metal amid rising political and economic uncertainties.
- Asian shares dived as hundreds of billions of dollars hemorrhaged from global markets after a rout in tech stocks inflicted the largest daily decline on Wall Street since 2011, wiping out all its gains for the year.
- Spot gold was up 0.3 percent at \$1,237.04 an ounce, not far off Tuesday's \$1,239.68, the highest since July 17. U.S gold futures were up 0.7 percent at \$1,239.70 an ounce.
- After the massive sell-off in global equities, investors are looking for a safe-haven shelter. They are starting to diversify and look at bullion as a means of value maintenance, with no end in sight appearing for the bear market.
- Gold prices have gained more than 6 percent after falling in mid-August to their lowest since January 2017 at \$1,159.96 an ounce. The growing uncertainty created from U.S-Saudi tensions and Italy's budget woes can already be reflected across financial markets with investors avoiding riskier assets. The risk-off environment should offer gold an opportunity to shine brightly.
- Losses were modest, however, as gold got support from investors looking for insurance from potential further downside in stock markets after five days in the red.
- If there is a correction, then \$1,210 is a good support zone, breaching this support may lead gold to fall further towards \$1,195, which is less likely in the current scenario.

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 rallied significantly to kick off yesterday, breaking above the \$67 level, and a bit of a “dead cat bounce”, after selling off so drastically over the last several days. At this point the market will continue to try to find an acceptable level, but with the Saudi Arabians suggesting that they are going to pump out as much crude oil as they can, it should flood the market with the commodity. At this point, it’s extraordinarily bearish, simply because the EIA numbers came out rather bearish. Brent markets also have struggled to break above the \$77 level during the day after snapping much higher. It will probably see sellers jump back into this market, pushing it towards the psychologically significant round number of \$75. At this point, it will continue to see the market drift lower, but it would expect to see a significant amount of support at \$75 again.

Pivot:	66.75		
Support	65.75	65.45	65.05
Resistance	67.70	67.35	66.75

Source: FX EMPIRE

Highlights

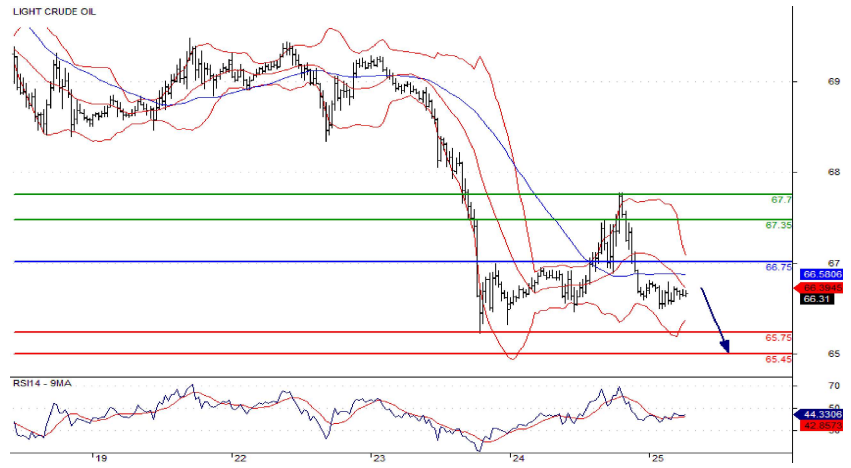
- oil prices slumped 5 percent on concerns tied to a weaker economic outlook
- Some relief could come from the US, where crude production and storage levels are high
- Looming U.S sanctions on oil exporter Iran helped support prices
- U.S crude inventories rose 6.3 million barrels, much more than the 3.7 million-barrel increase expected
- The world’s biggest oil and gas producers are under unprecedented pressure to cut their reliance on energy revenues

Crude - Technical Indicators

RSI 14	55.83
SMA 20	48.93
SMA 50	46.53
SMA 100	47.26
SMA 200	51.85

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell today as Asian shares plunged in the wake of Wall Street’s biggest daily decline since 2011, while spreadbetters pointed to a subdued start for European markets.
- Front-month Brent crude oil futures were at \$75.82 a barrel, down 35 cents, or 0.5 percent, from their last close. U.S West Texas Intermediate crude futures were at \$66.44 a barrel, 38 cents, or 0.6 percent, below their last settlement.
- Global oil benchmarks have been hit hard since the start of Q4 2018 as market confidence fell, because of weaker economic projections beyond 2018 and a massive sell-off in global equities.
- Markets have been hit hard this month by a range of worries, including the Sino-U.S trade war, a rout in emerging market currencies, rising borrowing costs and bond yields.
- Weakness is also starting to show in container and dry-bulk rates which both have come off significantly in October, pointing to a slowdown in global trade. In oil, WTI has fallen nearly 10 percent so far this month, while Brent is down nearly 9 percent.
- U.S commercial crude oil stockpiles rose for a fifth consecutive week last week, increasing by 6.3 million barrels to 422.79 million barrels, the Energy Information Administration said yesterday.
- With U.S sanctions on Iranian exports due to take effect on Nov. 4, two people with knowledge of the matter said two Chinese state-owned refiners were not planning to load Iranian oil for November.

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 continue to be very jittery, just as the global markets have been. Looking at this chart, it's obvious that there are buyers on dips. The \$14.70 level has offered enough support to turn the market right back around and crashing into the \$14.80 level. Silver is extraordinarily volatile, but it does follow the US dollar and risk appetite. For example, if the US dollar starts to strengthen too much, that will weigh upon silver. However, beyond that it also see a bit of a "flight to safety" when it comes to precious metals overall. The \$14.50 level underneath is a bit of a "floor" for short-term investors, and they will continue to treat it as such. The \$15 level above is significant psychological and structural resistance, so if break above that level silver could really take off. In the meantime, it would expect several attempts being needed to break above there.

Pivot:	14.64		
Support	14.64	14.56	14.49
Resistance	14.91	14.85	14.80

Source: FX EMPIRE

Highlights

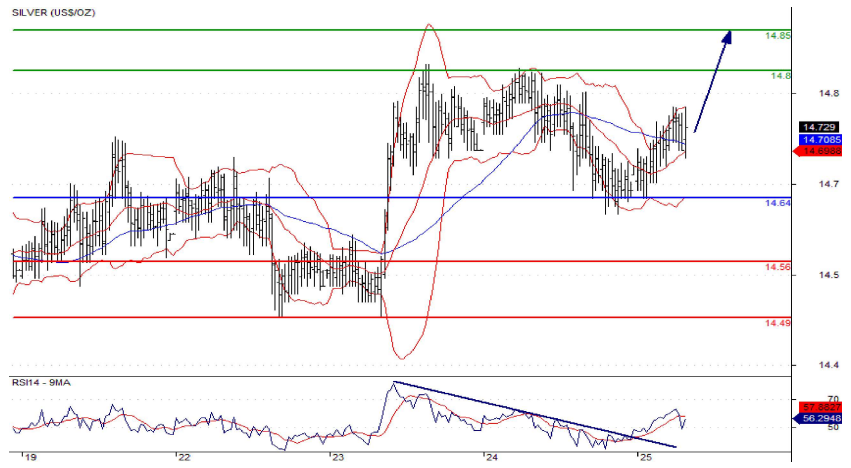
- Silver prices marked high 0.7 percent to \$14.74 per ounce
- A strong U.S dollar on the foreign exchange market was a bearish outside market element working against the precious metals
- December Comex silver was last down \$0.088 at \$14.71 an ounce
- US pending home sales are estimated to have receded 0.1%, improving from a 1.8% tumble in August
- GDP is seen up 3.4% in the third quarter, on an annual basis

Silver - Technical Indicators

RSI 14	19.80
SMA 20	17.27
SMA 50	16.72
SMA 100	16.85
SMA 200	16.87

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver futures rose in Asian trade as the dollar index backed off August 17 highs, ahead of the European Central Bank's policy decisions, and before a host of US housing, labor, and trade data later today.
- Silver futures due in December rose 0.57% to \$14.76 an ounce, while the dollar index shed 0.16% to 96.28 against an array of major currencies. Global stock markets were mixed to firmer today, rebounding from solid losses Tuesday. U.S stock indexes were lower but off their daily lows in afternoon trading.
- The ECB is expected to maintain the main refinancing rate at zero percent, and the deposit rate at minus 0.40%, and carry on the monetary easing program until the end of the year at a pace of 15 billion euros a month.
- Markets also await US data on durable goods orders, expected with a 1.3% drop in September, compared to a 4.4% increase in August. The goods trade deficit is estimated at \$74.9 billion, slightly down from \$75.5 billion in August, as unemployment claims are expected with a 4 thousand increase to 214 thousand in the week ending last Saturday.
- Federal Reserve Governor Richard Clarida is due to speak about the economic outlook and monetary policy at the Peterson Institute for International Economics Luncheon, in Washington DC, while Federal Reserve Bank of Cleveland President Loretta Mester is scheduled to speak at New York University later today.
- There are still geopolitical issues looming over the world marketplace, including the U.S-China trade war, U.S-Saudi Arabia tensions over the murdered Saudi journalist, and Italy's recalcitrance over forming its budget to meet European Union constricts.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2018	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Thursday, October 25, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs Oct 25	16:45	EUR European Central Bank Rate Decision (OCT 25)	High		0.00%	0.00%
Thurs Oct 25	16:45	EUR ECB Marginal Lending Facility (OCT 25)	High		0.25%	0.25%
Thurs Oct 25	16:45	EUR ECB Deposit Facility Rate (OCT 25)	High		-0.4%	-0.4%
Thurs Oct 25	17:30	USD Advance Goods Trade Balance (SEP)	High		-\$75.1b	-\$75.8b
Thurs Oct 25	17:30	USD Wholesale Inventories (MoM) (SEP P)	Medium		0.5%	1.0%
Thurs Oct 25	17:30	USD Durable Goods Orders (SEP P)	High		-1.5%	4.4%
Thurs Oct 25	17:30	USD Durables Ex Transportation (SEP P)	Medium		0.4%	0.0%
Thurs Oct 25	17:30	USD Continuing Claims (OCT 13)	Medium		1660k	1640k
Thurs Oct 25	19:00	USD Pending Home Sales (YoY) (SEP)	Medium			-2.5%

Source: Forex Factory, DailyFX

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