

Gold

Technical

Gold markets initially gapped higher to kick off the Monday session, reaching well above the \$1550 level before selling off later in the day. This was partially in reaction to the extension of tariffs by the Americans against the Chinese, and of course the fact that we had not had an opportunity to react to that has those tariffs were announced after markets close. That being said, we have turned quite a bit backwards to the downside, it looks like that we are probably going to go lower to look for support. The \$1500 level underneath should continue to offer massive support. If we reach down towards the \$1500 level, I think there will be plenty of people willing to jump in and take advantage of value. I have no interest in shorting the gold market right now, because quite frankly there are far too many issues out there to think that gold will fall apart suddenly.

Pivot:	1,542		
Support	1,495	1,450	1,429
Resistance	1,565	1,600	1,630

Source: FX EMPIRE

Highlights

- President Donald Trump and Chinese officials both appeared to play down the recent escalation in trade tensions
- Gold for December delivery edged down by 40 cents, to settle at \$1,537.20 an ounce, after tapping an intraday high of \$1,565
- China announced it was imposing retaliatory tariffs on \$75 billion on U.S imports
- Vice Premier Liu He said that Beijing hopes to resolve the trade war through calm negotiations
- Worries around trade and its impact on global growth are unlikely to be easily dispelled

Gold - Technical Indicators

RSI 14	43.67
SMA 20	1,383.0
SMA 50	1,383.8
SMA 100	1,386.5
SMA 200	1,392.2

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices traded steady today, after retreating from an over six-year peak hit in the previous session, as U.S. President Donald Trump predicted a trade deal with China and calmed global markets that have been rattled by new tariffs.
- Spot gold was up 0.1% to \$1,528.10 per ounce. Gold prices on Monday surged to their highest in more than six years, surpassing the \$1,550 mark in early trade, before paring gains after Washington and Beijing indicated a ramping down of their trade spat.
- The bullion is often seen as an alternative investment during times of political and financial uncertainty. U.S. gold futures were flat at \$1,537.50 an ounce. U.S President Donald Trump on Monday flagged the possibility of a trade deal with China, and said he believed Beijing was sincere in its desire to reach an agreement.
- Chinese Vice Premier Liu He, who has been leading the talks with Washington, said on Monday that China opposed any escalation in trade tensions. Global markets had been roiled at the start of the week by new tariffs from the world's two largest economies.
- The benchmark 10-year U.S. Treasury yield pulled back from a three-year low today in Asian session, which it reached on Monday on the back of widespread risk-off sentiment.
- The dollar index, which measures the greenback's value rose about 0.5% overnight. The markets are fully priced for a quarter-point cut in rates next month, and over 100 basis points of easing by the end of next year.
- Gold is profiting not only from the escalation of the trade dispute itself, but also from the resulting weak stock markets and falling bond yields. It is truly living up to its status as a safe haven.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2019	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2019	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2019	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2019	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2019	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market gapped lower to kick off the week, but then after a short pullback rallied significantly to reach above the \$55 level. We have since then rolled over again, and now it looks like we are trying to rally yet again after that. In other words, and to be more direct, this is a market that is all over the place. There is a lack of liquidity as this is the last week of summer break for most traders, and therefore it makes quite a bit of sense that we will struggle to find directionality. All things been equal though, this is a market that deftly seems like it's in a bit of a negative trend, as seen by the downtrend line drawn on the chart that coincides nicely with the 50 day EMA. Brent markets also gapped lower to kick off the session and have also ran into significant resistance above after trying to recover.

Pivot:	53.98		
Support	52.30	50.60	46.70
Resistance	56.65	58.70	60.80

Source: FX EMPIRE

Highlights

- Investors weighed demand uncertainty in the wake of the latest news on the U.S.-China trade dispute
- China and the U.S both appeared to attempt to tamp down rising trade tensions
- China's top trade negotiator, Vice Premier Liu He, said that Beijing hopes to resolve the trade war through "calm" negotiations
- Oil fell sharply Friday after China announced retaliatory tariffs on a range of U.S goods
- In the backdrop, weekly data suggest a slowdown in U.S oil drilling

Crude - Technical Indicators

RSI 14	37.13
SMA 20	56.04
SMA 50	56.50
SMA 100	56.77
SMA 200	57.01

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices rose yesterday after U.S. President Donald Trump predicted a trade deal with China after positive comments by Beijing, calming nerves after a round of tit-for-tat tariff hikes had sent markets reeling.
- U.S West Texas Intermediate crude futures were up 36 cents, or 0.67%, at \$54 a barrel, having also dropped 1% yesterday for a fourth day of decline. Brent crude was up 32 cents, or 0.55%, at \$59.02 a barrel, after falling 1% in the previous session, dropping for a third day in a row.
- Trump yesterday said he believed China was sincere about wanting to reach a deal, while Chinese Vice Premier Liu He said China was willing to resolve the dispute through "calm" negotiations, settling global markets.
- While 'de-escalation' and the expectation of a temporary truce in the trade war may be what is lifting sentiment and oil prices this morning, the resolution of the U.S.-China trade rift will take time.
- Oil prices appear to be getting a reprieve from the last week's U.S. and Chinese announcements of retaliatory trade measures. Oil prices have fallen around 20% from 2019 highs reached in April, in part because of worries that the U.S.-China trade war is hurting the global economy, which could dent demand for oil.
- China's Commerce Ministry said last week it would impose additional tariffs of 5% or 10% on 5,078 products originating from the United States, including crude oil, agricultural products and small aircraft.
- In retaliation, Trump said he was ordering U.S companies to look at ways to close operations in China and make products in the United States. Meanwhile, U.S crude oil and gasoline inventories are expected to have fallen last week, while distillate stockpiles were seen higher, a Reuters poll showed yesterday.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2019	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2019	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2019	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2019	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2019	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets have broken above the \$17.50 level, an area that of course has caused quite a bit of attention. At this point, the market looks likely to continue to go higher, but we may get a short-term pullback occasionally. Short-term pullbacks should be thought of as value, because it gives us an opportunity to pick up silver “on the cheap.” The US dollar strengthening could work against the value of silver as well, but if it’s a rush to safety both can go up at the same time. Looking at the chart I think that there are plenty of reasons to think that the \$17.00 level underneath would be massive support, as we have seen a launch from that level. The next target of course I believe is the \$18.00 level, which is a large round whole number. Little short-term pullback could be a buying opportunity that you need to see to pick up value if you are not already long of the market.

Pivot:	17.71		
Support	16.90	16.50	16.00
Resistance	18.55	18.95	19.40

Source: FX EMPIRE

Highlights

- The silver market saw solid gains and hit a two-year high yesterday
- The unexpected twists and turns in the U.S-China trade war continued yesterday
- Markets in Asia and Europe that were under selling pressure early on rebounded when the Trump news hit the news wires
- The weekend G-7 summit in Paris produced nothing major that the marketplace deemed as price-sensitive
- The closely watched German Ifo business conditions index in August fell to 94.3

Silver - Technical Indicators

RSI 14	45.92
SMA 20	15.36
SMA 50	15.37
SMA 100	15.41
SMA 200	15.44

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices settled with a loss yesterday, giving up earlier gains, as President Donald Trump and Chinese officials both appeared to play down the recent escalation in trade tensions.
- September contract silver, meanwhile, held on to much of its earlier gains, settling 22.8 cents, or 1.3%, higher at \$17.641 an ounce after tacking on 2.2% Friday.
- Adding some pressure to dollar-denominated gold prices, the benchmark U.S Dollar Index moved up by 0.4% in Monday dealings, trading above 98 as gold futures settled.
- Silver rose Friday after China announced it was imposing retaliatory tariffs on \$75 billion in U.S imports, drawing an angry response from President Donald Trump, who said he was ordering U.S companies to look for alternative to China. After markets closed Friday, Trump announced the U.S would further raise tariffs on imports from China.
- But earlier yesterday, Trump, speaking on the sidelines of the Group of Seven meeting in France, said U.S. officials had received calls from Chinese negotiators and that the two sides would return to the table. However, the spokesman for the Chinese Foreign Ministry, Geng Shuang, said he was “not aware of” such a phone call by China to the U.S.
- Still, China’s top trade negotiator, Vice Premier Liu He, on Monday said that Beijing hopes to resolve the trade war through “calm” negotiations and isn’t seeking to escalate tensions, according to Reuters.
- Worries around trade and its impact on global growth and sentiment were unlikely to be easily dispelled barring a breakthrough in negotiations. Meanwhile, the yellow metal was likely to continue to gain support on any renewed signs of rising tensions.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2019	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2019	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2019	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2019	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2019	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Tuesday, August 27, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Aug 27	11:00	German Gross Domestic Product n.s.a. (YoY) (2Q)	Medium	0.0%	0.0%	0.0%
Tue Aug 27	11:00	German Gross Domestic Product w.d.a. (YoY) (2Q)	Medium	0.4%	0.4%	0.4%
Tue Aug 27	13:30	U.K BBA Loans for House Purchase (JUL)	Medium	43342	42854	42775
Tue Aug 27	18:00	U.S House Price Purchase Index (QoQ) (2Q)	Medium		0.2%	1.1%
Tue Aug 27	18:00	U.S House Price Index (MoM) (JUN)	Medium		0.2%	0.1%
Tue Aug 27	18:00	S&P/Case-Shiller Composite-20 (YoY) (JUN)	Medium		2.4%	2.39%
Tue Aug 27	18:00	S&P/Case-Shiller US Home Price Index (YoY) (JUN)	Medium		3.3%	3.43%
Tue Aug 27	19:00	U.S Richmond Fed Manufact. Index (AUG)	Low		-4	-12
Tue Aug 27	19:00	U.S Consumer Confidence Index (AUG)	High		129	135.7

Source: Forex Factory, DailyFX

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