

Gold

Technical

Gold markets fell slightly during the course of the session on Wednesday, as the \$1230 level above has been resistive enough to turn things back around and form a fairly negative candle. Ultimately, there is a massive amount of support below, so with that being the case we ultimately prefer buying gold, on supportive candles and of course impulsive ones. We have no interest in selling, and recognize that have the massive move higher recently has been very impulsive, and there should be plenty of buyers below. We believe the \$1300 will be targeted next. Support on gold prices is seen near the 10-day moving average at 1,224, while resistance is seen near last week's highs at 1,244. A better than expected Chinese services PMI took the sails out of the yellow metal.

Pivot:	1,235		
Support	1,225	1,220	1,214
Resistance	1,240	1,244	1,249

Highlights

- Gold jumped to the highest in a week after Fed minutes indicated policy makers remained cautious about raising rates
- Fed's March 15-16 meeting showed officials highlighted persistent risks facing the global outlook
- The metal has climbed 16 percent this year as the dollar weakened
- China's central bank added about 9 metric tons of bullion to reserves last month
- Bullion for immediate delivery advanced as much as 1.4 percent

Gold - Technical Indicators

RSI 14	47.00
SMA 20	1,235.14
SMA 50	1,225.69
SMA 100	1,155.36
SMA 200	1,139.12

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold rose more than one percent on Thursday as the dollar remained under pressure after minutes from the Federal Reserve's last policy meeting showed caution over future U.S. interest rates increases.
- Fed's policymakers debated whether an interest rate hike would be needed in April at the central bank's meeting on March 15-16, but a consensus emerged that risks from a global economic slowdown warranted a cautious approach. They signalled that they expected to raise rates twice in 2016 but the timing of the hikes still appears unclear.
- Spot gold benefited from a 17-month low in the dollar versus the Japanese yen. Prices touched a one-week high of \$1,239.30 an ounce and were up 1.2 percent at \$1,236.36.
- The metal saw its biggest quarterly rise in nearly 30 years in the three months to March, rallying more than 16 percent and hitting a 13-month high on speculation the Fed was not in a hurry to normalise interest rates. It had however drifted back towards the key \$1,200 level in the past week after hawkish comments from several Fed officials.
- Gold is sensitive to rate increases as they lift the opportunity cost of holding the non-interest-yielding metal. The Fed's minutes yesterday and the dollar's weakness have created an environment that gives gold an additional push and attract some pent-up demand.
- The Fed should be patient and cautious about raising short-term interest rates, but should nevertheless increase them in a sustained way, Dallas Fed President Robert Kaplan said on Wednesday.
- Assets in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.51 percent to 819.60 tonnes on Wednesday, the first inflow in nearly two weeks.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	227381	82403	73%	120854	284003	30%	49448	31277	61%	384,974
01- Mar-16	223186	70773	76%	115571	287002	29%	51148	36,819	61%	450555
08- Mar-16	252895	78085	76%	116493	311865	27%	53520	32958	62%	499110
15- Mar-16	247659	78147	76%	118610	304141	28%	49810	33791	60%	493086
22- Mar-16	258646	79815	76%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market rose during the course of the session on Wednesday, as we continue to see quite a bit of volatility. Ultimately, the market has broken down below a nice uptrend line, and it should now see plenty of resistance above. However, we do not have it quite yet, so we are looking for exhaustive candles in order to start selling going forward. Ultimately, the market has been in a long-term downtrend, and although we have seen a bit of a bounce, we are still very depressed overall. However, we do not have the ability to start selling until we see some type of daily close that looks bearish which of course we don't have it yet. On top of that, you will have to pay attention to the supply numbers, and of course the US Dollar value. The RSI (relative strength index) moved higher yesterday with price action reflecting accelerating positive momentum.

Pivot:	37.85		
Support	37.42	37.16	36.50
Resistance	38.39	39.00	39.85

Highlights

- Oil prices wavered in volatile trade today, as investors weighed an unexpected decline in U.S. crude inventories
- West Texas Intermediate futures were trading down 0.3% at \$37.65 a barrel.
- U.S crude-oil supplies fell by 4.9 million barrels last week, the EIA said
- It has been a long time since the EIA weekly U.S crude oil stock figures have given the market something bullish to work with
- Gasoline stocks rose by 1.4 million barrels following six consecutive weeks of declines

Crude - Technical Indicators

RSI 14	47.75
SMA 20	38.67
SMA 50	34.99
SMA 100	34.62
SMA 200	39.58

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil steadied at around \$38 per barrel today as a surprise fall in U.S. inventories the previous day was offset by an increase in exports from Iraq, underlining global oversupply. U.S crude futures were at \$37.59 per barrel, down 16 cents from their last close.
- Oil exports from Iraq's southern ports have risen to an average of 3.494 million barrels per day (bpd) in April, an official from the state-run South Oil Company said on Thursday. This was above the 3.286 million bpd average for March.
- U.S crude inventories fell 4.9 million barrels in the week to April 1, compared with analysts' expectations for an increase of 3.2 million barrels, according to data from the Energy Information Administration.
- Production numbers from places like Iran and Iraq are in focus with people looking to see how it translates into the overall supply picture. In Europe, North Sea oil field maintenance expected next month lent support to Brent futures, which are priced off North Sea supplies.
- The over 4 percent slide in the dollar since the beginning of the year is also supporting oil, traders said, as it makes imports of dollar-denominated fuels cheaper for countries using other currencies, boosting demand.
- A planned meeting of major oil producers on April 17 to freeze output around current levels, which in most cases remains at or near record highs, would do little to reduce an overhang in production with at least 1 million barrels of crude pumped every day in excess of demand.
- Goldman Sachs said it was "less willing to believe in a sustained OPEC production freeze or cut" and instead expected OPEC's production to rise by 600,000 barrels per day (bpd) this year and by 500,000 bpd in 2017. As a result of this and production data from the U.S, Goldman said it was "somewhere between in line and modestly bearish for prices."

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01- Mar-16	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
08- Mar-16	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
15- Mar-16	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
22- Mar-16	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets fell initially during the course of the session on Wednesday, but found enough support just below to turn things around and form a hammer. Ultimately, if the market can break above the top of the hammer and more importantly the \$15.20 level, the market should then reach towards the \$16 level given enough time. There is enough support below to keep us from selling this market at this point in time, so with that the market players are simply waiting for the aforementioned break out to the upside in order to start going long yet again. Silver's technical trend is downwards below the March 31 swing high of \$15.56, as the March 31 level is lower than the prior swing high of \$16.03 (formed on March 22). Support levels are currently at last week's low of \$14.81 followed by the March 1 low of \$14.75 and February 29 low of \$14.64.

Pivot:	15.25		
Support	15.05	14.98	14.88
Resistance	15.46	15.53	15.67

Highlights

- Silver rose in today's Asian session in step with gold, with the May contract up 18 cents, or 1.2%, to \$15.23 an ounce
- The minutes from the latest FOMC meeting showed central bankers reluctant to lift interest rates at their next meeting
- Higher rates generally diminish the attractiveness of precious metals, which don't bear a yield
- Heightened global risks are attributing greater weight than the stronger U.S economy
- The U.S Dollar plunged to an 18-month low against the Japanese Yen

Silver - Technical Indicators

RSI 14	43.83
SMA 20	15.40
SMA 50	15.27
SMA 100	14.68
SMA 200	14.85

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices have eased back from yesterday's high of \$15.23 as the slide to global stock markets abated today. The stable stock markets is lowering the demand for safe haven assets such as Gold and Silver.
- Silver futures declined yesterday as European stock markets stabilized following one of the biggest selloffs of the year, while the US dollar gained traction ahead of the FOMC minutes.
- The grey metal has declined more than 3% from its March 31 close of \$15.46 a troy ounce. It is also down nearly 7% from its March 17 high of \$16.03 a troy ounce.
- The gold-to-silver ratio has increased sharply since the March Federal Reserve meetings. One ounce of gold is worth about 81.28 ounces of silver, according to the 30-day ratio.
- Precious metals retreated amid signs of stability in European markets, which traded cautiously higher yesterday after plunging to six-week lows in the previous session.
- Later in today's trading session Ms. Yellen will be part of a panel discussion with former Federal Reserve Chairs in New York. Her comments will be closely followed by the financial markets for more clues pertaining to monetary policy.
- In economic data, the Fed will also release its monthly consumer credit report on today. Separately, the Labor Department will release data on jobless claims for the week ending April 2. Jobless claims are forecast to decline by 7,000 to a seasonally adjusted 270,000.
- The Fed should be patient and cautious about raising short-term interest rates, but should nevertheless increase them in a sustained way, Dallas Fed President Robert Kaplan said yesterday. The longer the hikes are delayed, the better for silver prices.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01- Mar-16	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
08- Mar-16	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
15- Mar-16	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
22- Mar-16	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Thursday, April 07, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Apr 07	04:30	Australia AiG Performance of Construction Index (MAR)	medium	45.2		46.1
Thu Apr 07	04:50	Japan Buying Foreign Bonds (Yen) (APR 1)	medium	¥1555.1b		¥1164.1b
Thu Apr 07	04:50	Japan Buying Foreign Stocks (Yen) (APR 1)	medium	¥50.1b		¥30.0b
Thu Apr 07	05:30	Japan Kuroda Speaks at BOJ's Branch Managers' Meeting	medium			
Thu Apr 07	12:00	Switzerland Foreign Currency Reserves (MAR)	low	575.8b		570.9b
Thu Apr 07	12:30	U.K Halifax House Price (3MoY) (MAR)	low	10.1%	9.5%	9.7%
Thu Apr 07	16:30	ECB account of the monetary policy meeting	medium			
Thu Apr 07	17:30	Canada Building Permits (MoM) (FEB)	medium		4.0%	-9.8%
Thu Apr 07	17:30	U.S Initial Jobless Claims (APR 2)	medium		270k	276k

Source: Forex Factory, DailyFX

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