

Gold

Technical

Gold markets gapped a bit lower yesterday, but then turned around to rally and fill the gap. After that, the market rolled over again as we continued to fall towards the \$1320 level. The market is struggling with a stronger US dollar, and that of course typically will work against the value of gold. The market has a “floor” close to the \$1300 level, and it might would be hard-pressed to market that this will break down below there. Economists think its only a matter of time before the market bounces and it should continue to find plenty of value hunters as gold is always attractive in a situation that has a lot of geopolitical concerns, and potential flareups in the headlines. Market players think that the \$1300 level should be massively important, so its only a matter of time before the buyers get involved. Ultimately, this is bit range bound with a slightly upward proclivity in the gold markets.

Pivot:	1,326		
Support	1,321	1,317	1,313
Resistance	1,329	1,332	1,335

Source: FX EMPIRE

Highlights

- Gold prices settled lower yesterday for a third session in a row, touching the lowest level in nearly five weeks
- Increased inflationary expectations should be supportive for gold
- The gold price has failed to partake, Despite commodities prices pulling strongly higher in recent sessions
- The stronger dollar has certainly had a bigger negative impact on gold
- The yellow metal hit a 2 ½-month high of \$1,360 as recently as April 11

Gold - Technical Indicators

RSI 14	33.74
SMA 20	1,263.6
SMA 50	1,291.6
SMA 100	1,287.1
SMA 200	1,300.1

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices inched up today, but stayed near two-week lows as a stronger dollar, rising U.S Treasury yields and receding geopolitical worries crimped safe-haven demand for the metal.
- After falling for the three previous sessions, spot gold had edged up 0.1 percent to \$1,325.81 per ounce. That was not far from a low of \$1,321.81 touched yesterday, its weakest since April 6. While U.S gold futures rose 0.3 percent to \$1,327.80 per ounce.
- Gold is going up and down with views on risk-aversion, less risk-aversion is pushing it down. We feel that there could be more downward pressure on gold in the near-term.
- A strong dollar makes gold expensive for non U.S buyers and rising yields increase the opportunity cost of holding gold, which is another factor lessening gold's appeal. The dollar rose to more than three-month highs against a basket of currencies.
- Gold prices also came under downward pressure from an improvement in the geopolitical environment, with the U.S Treasury Secretary cautiously optimistic on his negotiations with China, North Korea freezing its nuclear testing, and Washington extending its deadline for sanctions against Russia's Rusal.
- The rise in U.S interest rates has come as investors increasingly start to price in four interest-rate hikes in 2018 from the Federal Reserve, rather than the three signaled by policy makers.
- Whereas the U.S 10-year Treasury yield climbed towards the psychologically key 3 percent level. The U.S 10-year Treasury yield hit its highest in over four years 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	
12/01/2017	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 WTI Crude Oil market broke down as investors came back to work in America yesterday, slicing through the \$60 level. There is a significant amount of support at \$66 level as well, and of course the uptrend line underneath is even more supportive. The market will continue to find buyers eventually, but it may have gotten a bit ahead of ourselves to the upside. The US dollar has been strengthening yesterday as well, so it makes sense that oil would show a bit of softness. Brent markets fell as well, using \$74 as far too much in the way of resistance. The \$73 level should offer support, and if it break down below there, the market should then go down to the \$72 level. After that, the \$70 level is even more supportive. Economists think that its only a matter of time before it find the buyers at one of these levels underneath, and that the uptrend line below there is even more supportive.

Pivot:	68.90		
Support	68.10	67.65	67.15
Resistance	69.55	70.00	70.55

Source: FX EMPIRE

Highlights

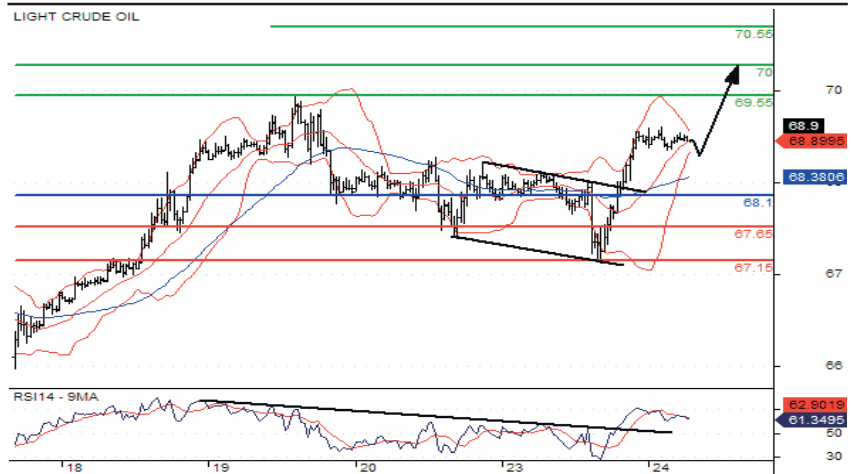
- Oil pivots higher, settled with a gain as tensions in the Middle East heat up again
- Many in the oil markets assume that oil sanctions will snap back on Iran
- U.S crude is increasingly appearing on global markets, from Europe to Asia, undermining OPEC's efforts to tighten the market
- Rise in prices might add further pressure on global economy which is showing signs of weakness
- The fear of geopolitical risk, and the reality that supply will tighten again this week, brought the market back

Crude - Technical Indicators

RSI 14	31.91
SMA 20	48.72
SMA 50	48.27
SMA 100	51.11
SMA 200	56.32

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Crude oil rose for sixth day, passing \$75 a barrel, on expectations that supplies will tighten because fuel is rising at the same time the United States may impose sanctions against Iran and OPEC led output cuts remain in place.
- Brent crude oil futures climbed to as high as \$75.20 a barrel today, the highest since Nov. 27, 2014. Brent was still at \$75 a barrel up 29 cents or 0.4 percent, from its last close. Brent's six-day rising streak is the most since a similar string of gains in December and it is up by more than 20 percent from its 2018 low in February.
- U.S West Texas Intermediate crude futures were at \$68.98 a barrel, up 34 cents or 0.5 percent from their last settlement. On Thursday, WTI rose to as high as \$69.56, the most since Nov. 28, 2014.
- Markets have been lifted by supply cuts led by the Organization of the Petroleum Exporting Countries (OPEC) which were introduced in 2017 with the aim of propping up the market. The potential of renewed U.S sanctions against Iran is also pushing prices higher.
- Crude prices are now sitting at the highest levels in three years, reflecting ongoing concerns around geopolitical tensions in the Middle East, which is the source of nearly half of the world's oil supply.
- Oil strength is coming from Saudi Arabia's recent commitment to get oil back up to between \$70 to \$80 per barrel as well as inventory levels that are back in the normal range.
- The United States has until May 12 to decide whether it will leave the Iran nuclear deal and re-impose sanctions against OPEC's third-largest producer, which would further tighten global supplies.

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	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 fell over 1% yesterday, reaching down towards the \$16.75 level as the Americans came on board. However, there is a lot of support just below, so its only a matter of time before the buyers get involved and continue to push this market to the upside. The \$16.50 level underneath is a bit of a floor in the market, so its only a matter of time before the buyers get involved. One they do, it might a nice buying opportunity, as we could continue the overall uptrend. On the chart, it can make an argument for an uptrend line that coincides with roughly \$16.75, but there is a range down to the \$16.50 level, meaning that there should be plenty of buying opportunities. Ultimately, this market will explode to the upside, perhaps finally taking out the \$20 level above, but patience will certainly be needed. This is a market that does have plenty of support below though.

Pivot:	16.66		
Support	16.42	16.30	16.17
Resistance	16.78	16.90	17.02

Source: FX EMPIRE

Highlights

- Silver has backed off its recent highs as oil prices weaken against the quieter geopolitical landscape
- Silver continues to reflect extremely bearish sentiment across the speculative community
- Silver's industrial luster gives it a boost and as the precious-metals environment improves amid a flat yield curve
- Commodities prices pulling strongly higher in recent sessions
- Silver prices slide in the interim, suggests that some long positions have already been covered again

Silver - Technical Indicators

RSI 14	37.92
SMA 20	16.60
SMA 50	17.09
SMA 100	17.05
SMA 200	16.83

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices were solidly lower yesterday. The metal sold off in the face of an appreciating U.S Dollar on the world foreign exchange market. Silver bulls' next upside price breakout objective is closing prices above solid technical resistance at last week's high of \$17.36 an ounce.
- May silver tumbled 57.6 cents or 3.4%, to \$16.587 an ounce yesterday, pulling back from its own 2 ½-month high hit last week. The decline represented the sharpest daily fall since July 3, 2017 and its longest losing trend since mid March. The contract saw a 3% gain for last week.
- The U.S Dollar index hit a more-than-three-month high today. There is also little risk aversion in the marketplace at present, which is another bearish element for the precious metals markets.
- Large investors slashed their net-bearish stance in silver, during the most recent reporting week for data. A feature in the marketplace at present is rising world government bond yields. The U.S. 10-year Treasury note yield is nearing 3%, which is a four-year high.
- However, rising bond yields also suggest rising inflationary pressures. Problematic inflation is a bullish element for hard assets like the metals. Still, present worldwide inflation levels are not yet deemed problematic.
- May silver futures bulls have faded quickly after prices last week hit a 2.5-month high. The silver bulls and bears are back on a level overall near-term technical playing field.
- Silver's record short was cut by 60% in response to the improved outlook as it benefited from the tailwind seen across other industrial metals. Money managers slashed their net-short position in silver futures to 14,757 lots from 37,112 the week before.

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	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

Tuesday, April 24, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tues April 24	06:30	AUD Consumer Prices Index (YoY) (1Q)	High	1.9%	2.0%	1.9%
Tues April 24	18:00	USD House Price Index (MoM) (FEB)	Medium		0.6%	0.8%
Tues April 24	18:00	USD S&P CoreLogic CS 20-City (MoM) SA (FEB)	Medium		0.68%	0.75%
Tues April 24	18:00	USD S&P/Case-Shiller US Home Price Index (YoY) (FEB)	Medium			6.18%
Tues April 24	19:00	USD New Home Sales (MoM) (MAR)	Medium		1.9%	-0.6%
Tues April 24	19:00	USD Richmond Fed Manufact. Index (APR)	Low		16	15
Tues April 24	19:00	USD Consumer Confidence Index (APR)	High		126.0	127.7
Tues April 24	19:00	USD Conf. Board Present Situation (APR)	Medium			159.9
Tues April 24	19:00	USD Conf. Board Expectations (APR)	Low			106.2

Source: Forex Factory, DailyFX

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