

Gold

Technical

Gold markets went back and forth during the course of the session on Friday, essentially hanging about the \$1250 level. This is a market that has been consolidating for some time, and we are presently in the middle of the consolidation area, so it is going to be difficult to trade. However, we would love to see pullbacks that give us a buying opportunity at lower levels. Ultimately, we have to wait for that move and as a result we are on the sidelines at the moment when it comes to the gold markets. We have been consolidating around the \$1250 level for some time now, and it appears that we are ready to continue doing so. Long-term traders will probably continue to be stymied in buying the resistance above, but there is a massive amount of support at the \$1200 level.

Pivot:	1,234		
Support	1,227	1,220	1,216
Resistance	1,240	1,246	1,252

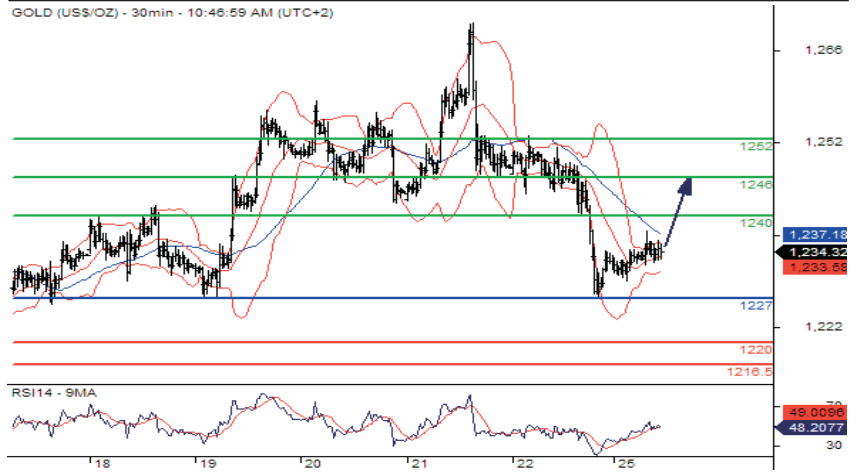
Highlights

- Gold was little changed, holding Friday's decline ahead of central bank meetings in the U.S. and Japan this week
- Traders are looking for any signals of policy changes
- Investors are waiting for guidance on the central bank's thinking around inflation expectations and risks to global growth
- Gold has rallied in 2016 on surging demand for haven assets
- Bullion for immediate delivery was down 0.1 percent at \$1,232.51 an ounce

Gold - Technical Indicators

RSI 14	50.47
SMA 20	1,234.14
SMA 50	1,236.69
SMA 100	1,165.36
SMA 200	1,143.12

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold ticked highertoday as the dollar gave back some of its recent gains, but caution ahead of the Federal Reserve policy meeting later this week curbed its advance. The dollar rose to a three-week high against the yen on Friday after a report said the BoJ is considering to expand its negative rate policy to bank loans.
- The Fed is not expected to raise interest rates at this week's meeting but markets will be looking for the U.S. central bank's take on global economy and its monetary policy outlook.
- Fed Chair Janet Yellen said last month the central bank should proceed only cautiously as it looks to raise rates, following its first rate hike in nearly a decade in December. Higher rates could dent demand for non-interest-paying gold. Spot gold rose 0.2 percent to \$1,234.36 an ounce, after dropping 1 percent on Friday as the dollar rallied.
- If the central bank continue to hint at further rate delays, we could see the dollar sell-off resume, in which case most commodity markets, including gold, could push higher
- Gold's upside will be capped by the fact that funds will be throwing their money at various other markets that are moving up more decisively than gold, while the continued strength in U.S. equities will also act as another drag.
- Gold has gained about 16 percent this year on speculation that the Fed may not be able to raise rates this year on concerns over the Chinese economy and volatility in global markets.
- Economists expect the Fed to deliver a rate hike in June, and follow up with another by the end of this year. But interest rate futures show less conviction, underscoring an ongoing wide gap between markets and policymakers on the trajectory of rates.

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 slightly during the course of the day on Friday as we continue to hang around the \$44 level. Ultimately, it's very likely that the area above will contain resistance though, extending all the way to the \$50 handle. With this being the case, the markets will more than likely try to go higher, but they will more than likely continue to be fairly choppy, due to all the noise. However, every time this market pulls back, you have to believe that buyers will be interested in going long. There is a massive amount of support below, especially at the \$42 level, and then of course at the \$40 level as well. With that being the case, short-term buying will probably continue to be the way going forward, as the volatility will make a very difficult for people to hang on to trade for any real length in time. Keep in mind that the currency headwinds can help or hurt this market

Pivot:	43.32		
Support	42.90	41.40	40.00
Resistance	44.50	45.30	46.35

Highlights

- Oil prices slipped as traders took profits after three weeks of gains and as a jump in the dollar late last week was priced into fuel markets
- U.S. West Texas Intermediate futures were down 44 cents at \$43.29 a barrel
- The prices fell as a result of cashing in after three weeks of rising prices
- Oil fell on a jump in the dollar on Friday against a basket currencies
- A stronger dollar, in which oil is traded, makes fuel imports for countries using other currencies more expensive, potentially hitting demand

Crude - Technical Indicators

RSI 14	65.48
SMA 20	39.31
SMA 50	36.18
SMA 100	34.76
SMA 200	39.41

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Keep in mind that the currency headwinds can help or hurt this market. U.S. West Texas Intermediate, was trading down 1.8% at \$42.96 a barrel. Prices rose by 5% last week, a four-and-a-half month high.
- Those gains came as a strike in Kuwait and hopes that the oil glut will slacken, overrode disappointment about the failure of major oil nations to reach an agreement on freezing their production. Traders were cashing in on those gains on Monday.
- Prices are down on profit-taking. Without any major news or catalysts, prices are going to see-saw in the near term. Markets were buoyed by signs last week that the global surplus in oil supplies is beginning to wane.
- The number of rigs drilling for oil in the U.S. dropped to 343, a fall for the fifth consecutive week, according to Baker Hughes. The International Energy Agency also said last week that it expects production from the U.S., China, Russia, Mexico, and Colombia to fall, helping to reset the supply-and-demand balance next year.
- Still, the speed at which Iran and Libya ramp-up exports this year continues to be a blind spot for the market and could affect the rate of rebalancing. Over the weekend, a company associated with the government running eastern Libya said that it was readying itself to export its first crude cargo, which could help kick-start the country's return to the oil market.
- Oil exports from Libya have fallen dramatically since the fall of Moammar Gadhafi in 2011. This week, traders will be eyeing the Federal Reserve policy meeting for an outlook on the U.S. economy.
- The market largely expects the committee to keep the benchmark rate unchanged, but indications of future policy have an effect across markets, from oil to bonds.

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

The silver markets rallied during the course of the week, breaking above the \$17 level. The silver market certainly looks at this time as there is plenty of bullish pressure underneath, and we could even be talking about some type of trend change, although it's going to take a while to actually manifest itself. Don't be surprised if there's a pullback, we will more than likely need to pick up more momentum to finally clear the \$18 level. At this point, we have no interest in selling silver, we believe that it is very bullish. The market looks as if we are trying to get towards the top of the shooting star from the Thursday session. Ultimately, the market looks as if it is going to try to break out, but at this point in time where going to see quite a bit of volatility, and with that it's likely that we will continue to go back and forth but given enough time we will likely see bullish pressure continue in this market.

Pivot:	17.03		
Support	16.71	16.48	16.10
Resistance	17.35	17.66	18.00

Highlights

- Silver may not be as scarce as gold but it has become much more attractive to investors.
- Silver prices have recently soared to an 11-month high
- Silver continues to provide investors with more upside potential than gold
- After a record four consecutive years of declines, silver has been rewarding precious metal bulls in 2016
- Silver prices have been on a tear in 2016, and recently hit an 11-month high, silver prices are up 23% year-to-date

Silver - Technical Indicators

RSI 14	63.83
SMA 20	15.47
SMA 50	15.38
SMA 100	14.77
SMA 200	14.88

Silver Daily Graph



Fundamentals

- Silver rises but still below 11-month top. Silver pared gains on Friday as the dollar strengthened against the yen, but both metals were still headed for weekly gains.
- The dollar rose about 1 percent against the yen on Friday, after Bloomberg reported that the Bank of Japan was considering applying negative rates to its lending programme for financial institutions. A stronger greenback makes the dollar-denominated precious metals expensive.
- Spot silver was up 0.4 percent at \$17.065 an ounce, after earlier climbing as much as 1 percent. It had risen to a 11-month high of \$17.695 in the previous session. Silver is up 5.4 percent for the week, while gold is up 1 percent.
- Economists continue to expect that the strengthening of the U.S. labour market will force the Fed to hike rates three times this year, which will lead to a stronger dollar and a gradual increase in U.S. real rates.
- Recent data from China has showed new debt fuelling a recovery in factory activity, investment and household spending, stoking appetite for metals used in manufacturing.
- Silver's rally this week has also been helped by optimism over Chinese growth, and a break above key chart resistance. For silver, investors favour the market above \$17, but expect volatility and further gains may be hard to hold. On the positive side, it appears that solar-panel demand is up and retail demand is solid for silver.
- Silver was the best performer over the past few days. If we compare the 30-day trailing returns, silver surpassed all of the remaining three precious metals. Silver rose 8.5%. Platinum and palladium maintained gains of 3.5% and 0.02%. Silver showed its industrial side and rose due the comparative economic stability especially in China.

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	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

Monday, April 25, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Apr 25	04:50	JPY Corporate Service Price (YoY) (MAR)	low	0.2%	0.2%	0.2%
Mon Apr 25	10:00	JPY Leading Index (FEB F)	low	96.8		99.8
Mon Apr 25	10:00	JPY Coincident Index (FEB F)	low	110.7		110.3
Mon Apr 25	12:00	CHF Total Sight Deposits (APR 22)	low	490.9b		489.2b
Mon Apr 25	13:00	EUR German IFO - Business Climate (APR)	medium	106.6	107.1	106.7
Mon Apr 25	13:00	EUR German IFO - Current Assessment (APR)	medium	113.2	113.8	113.8
Mon Apr 25	13:00	EUR German IFO - Expectations (APR)	medium	100.4	100.9	100.0
Mon Apr 25	19:00	USD New Home Sales (MoM) (MAR)	medium		1.6%	2.0%
Mon Apr 25	19:30	USD Dallas Fed Manufacturing Activity (APR)	low		-10.0	-13.6

Source: Forex Factory, DailyFX

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