

Gold

Technical

Gold markets fell during the session on Tuesday, testing the bottom of the hammer from the Monday session. This is a very negative sign, but I think that there is a massive amount of support just below, and especially at the \$1250 level. I think a pullback to that area could end up being a nice buying opportunity in an uptrend. I'm looking for support of candles or bounces or something like that to start going long again and have no interest in shorting gold. There is far too much in the way of geopolitical risk right now to think the gold's going to fall for any great length of time. Prices are poised to test target support near the 200-day moving average at 1,252. Additional support is seen near an upward sloping trend line that connects the low in December to the lows in March and comes in near 1,233. Resistance is seen near the 10-day moving average at 1,281.

Pivot:	1,263		
Support	1,260	1,256	1,251
Resistance	1,267	1,272	1,278

Highlights

- Gold is positive on the year, but maybe not as much as some investors expected
- Year to date, gold futures have climbed just shy of 10%, and remain up around 1.2% month to date
- Gold's more tempered price rise, however, is actually encouraging, and points to a more sustainable rally for gold
- February and April saw short covering rallies once the anticipated rate increases were confirmed
- Over the past few days, President Trump has suggested that he prefer to see a weaker dollar

Gold - Technical Indicators

RSI 14	46.37
SMA 20	1,245.2
SMA 50	1,239.3
SMA 100	1,198.5
SMA 200	1,255.8

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices fell to a two-week low in yesterday's session as markets became less concerned that far-right leader Marine Le Pen would win the French presidential election, increasing investor appetite for risky assets such as stocks while denting bullion.
- Spot gold was down 0.9 percent at \$1,264.25 an ounce, on track for its weakest one-day performance since March 2. It fell earlier to \$1,261.41, the lowest since April 11. U.S gold futures settled down 0.8 percent at \$1,267.20.
- A gauge of world stocks notched a record for a second straight session, spurred by speculation about U.S. tax reform and relief at French election results, while the 10-year U.S Treasury yield rallied to a two-week high.
- Business-friendly centrist Emmanuel Macron won the first round of the French vote on Sunday and opinion polls indicated less support for Le Pen. We've moved from having multiple numbers of positive drivers for gold last week when yields were on the defensive and we had multiple geopolitical risks.
- But now with the French election (first round) behind us, there is a bit of a surge of risk-on coming back to the market. The main worry was a strong performance by Le Pen.
- Gold is often seen as an alternative investment during times of political and financial uncertainty. Heightened security risks provided some support. North Korea conducted a live-fire exercise on Tuesday as a U.S. submarine docked in South Korea in a show of force.
- Gold prices would trade cautiously this week before a Friday deadline for the U.S Congress to pass a spending bill funding the government through September or risk a government shutdown. Holdings of SPDR Gold trust, the world's largest gold-backed exchange-traded fund, rose six tonnes in the past two trading sessions.

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 initially tried to rally during the Tuesday session, but found enough resistance at the \$49.50 level to turn things around and form a bit of a shooting star shaped candle. Because of this, I believe that the market will continue to struggle, and I also believe that the \$50 level above will be resistive. Keep in mind that today is the Crude Oil Inventories announcement, and that will more than likely keep this market very volatile. I think that the market will chop around quite a bit, but a breakdown below the bottom of the range for the day on Tuesday could send this market down to the \$47.25 level underneath. Either way, expect a lot of noise during the US session as we continue to see the market focus on supply issues. Momentum on crude oil prices is negative as the MACD (moving average convergence divergence) index recently generated a crossover sell signal.

Pivot:	49.40		
Support	49.15	48.85	48.55
Resistance	49.80	50.20	50.50

Highlights

- Oil futures settled higher, ending a six-session losing streak that had taken to its lowest settlement of the month
- Investors continued to show concerns over growth in U.S oil production
- There are doubts that OPEC can effectively lead the market back into balance after several years of oversupply
- Crude climbed by 33 cents, or 0.7%, to settle at \$49.56 a barrel
- Brent the global oil benchmark, added 50 cents, or 1%, to \$52.10 a barrel

Crude - Technical Indicators

RSI 14	43.33
SMA 20	53.59
SMA 50	53.12
SMA 100	51.31
SMA 200	48.72

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices settled slightly higher yesterday in volatile trading, then were mixed after hours when an industry group's preliminary report showed a surprise build in U.S. crude inventories.
- Oil prices seesawed throughout the day after falling sharply over the previous six sessions. Prices have been pressured as rising U.S. crude production has offset much of the output cuts by OPEC and other countries trying to reduce a global glut in crude.
- We've seen rigs increase for the last 14 weeks and if we continue to see that it could put pressure on crude oil prices. Prices dipped after the market settled. The American Petroleum Institute said its data showed U.S. crude oil stocks rose 897,000 barrels in the latest week. Analysts had expected a draw of 1.6 million barrels.
- The API also said U.S. gasoline inventories increased. The market will watch closely Wednesday morning to see whether official data from the U.S. Energy Information Administration confirms the API numbers.
- U.S. crude futures settled up 33 cents to \$49.56 a barrel, breaking a streak that saw the benchmark lose 7.4 percent. Brent crude settled up 50 cents at \$52.10 a barrel. Both crude contracts fell after the API report, but U.S. crude bounced back to its settlement price.
- Brent is down about 5 percent since early December, when the Organization of the Petroleum Exporting Countries and Russia agreed to cut output by 1.8 million barrels per day (bpd) in the first half of the year.
- Russian Deputy Prime Minister Arkady Dvokovich as saying Russia may increase oil production. As per different economists global crude loadings continue to tick higher and the glut probably will not abate "until we see the oil on the water falling.

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 initially tried to rally on Tuesday but found the \$18 level to be a bit too resistive. By turning around and falling the way they did, it suggests that we are going to continue to grind lower. I think that there is a significant amount of support to be found at the \$17.50 level, so I would expect that a bounce could be coming. However, I also recognize that we could drift all the way down to the \$17 level and stay within the overall consolidation that we have seen recently. Expect volatility, this is probably a market that it's going to be a bit difficult. Earlier in the month we highlighted the threat of a near-term turnover in silver prices with key support noted at 17.50. Since then, prices are down nearly 3% with today's low (so far) Registering at 17.53. A closer look at price action further highlights this near-term support confluence at 17.52- this level now also converges on the 61.8% retracement.

Pivot:	17.55		
Support	17.43	17.36	17.29
Resistance	17.66	17.74	17.81

Highlights

- Silver prices fell as investors opted for riskier assets on renewed optimism over the U.S economy
- U.S President Donald Trump is proposing to slash the corporate income tax rate
- The threat of a U.S government shutdown this weekend appeared to recede
- Spot silver dropped 0.2 percent to \$17.51 an ounce, after hitting over one-month low of \$17.49.
- Holdings of the New York's iShares Silver Trust SLV, stood at 10,181.70 tonnes up 61.83 tonnes, from previous business day.

Silver - Technical Indicators

RSI 14	46.12
SMA 20	18.04
SMA 50	17.48
SMA 100	17.12
SMA 200	18.11

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices dipped further below \$18.00 a troy ounce in yesterday's trading session, as investors held on to bullish stock bets in the wake of the French presidential election.
- July silver futures prices declined 4 cents, or 0.2%, to \$17.90 a troy ounce. Silver prices fluctuated within a daily range of \$17.85 and \$18.05. The grey metal was remarkably steady on Monday despite sharp declines in the price of gold.
- Silver has declined more than 3% over the past week. June gold futures also declined on Tuesday after paring losses at the start of the week. The contract was down \$5.10, or 0.4%, at \$1,272.40 a troy ounce through the early morning.
- The U.S. dollar index also stabilized from a selloff against the euro that was triggered by growing bets France would remain part of the European Union (EU). The dollar index rose 0.2% overnight before paring gains to settle flat at 99.06. The euro was little changed yesterday, and was last seen trading at 1.0873.
- Precious metals ran into volatility on Monday after the first round of the French presidential election triggered a relief rally in global equities. Investors are betting that pro-EU Emmanuel Macron will emerge victorious in his second-round runoff against the National Front's Marine Le Pen.
- European equity markets extended their rally Tuesday. The pan-European Stoxx 600 Index was up 0.3% through the midday. France's CAC 40 Index advanced 0.2%, a day after it spiked more than 4% to reach its highest settlement in nine years.
- U.S. stock futures were also trading higher in pre-market activity, pointing to a positive start to the day on Wall Street. Holdings of the largest silver backed exchange-traded-fund stood at 10,181.70 tonnes up 61.83 tonnes.

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	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Apr 26	06:30	AUD Consumer Prices Index (YoY) (1Q)	High	2.1%	2.2%	1.5%
Wed Apr 26	09:30	JPY All Industry Activity Index (MoM) (FEB)	Medium	0.7%	0.6%	-0.4%
Wed Apr 26	10:00	JPY Small Business Confidence (APR)	Medium	48.6	49.4	50.5
Wed Apr 26	11:00	CHF UBS Consumption Indicator (MAR)	Medium	1.5		1.5
Wed Apr 26	11:00	JPY Machine Tool Orders (YoY) (MAR F)	Low			22.6%
Wed Apr 26	13:00	CHF Credit Suisse Survey Expectations (APR)	Low			29.6
Wed Apr 26	16:00	USD MBA Mortgage Applications (21 APR)	Medium	2.7%		-1.8%
Wed Apr 26	17:30	CAD Retail Sales (MoM) (FEB)	Medium		0.2%	2.2%
Wed Apr 26	19:30	USD DOE U.S. Crude Oil Inventories (21 APR)	Medium		-1135.91k	-1034k

Source: Forex Factory, DailyFX

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