

## Gold

### Technical

Gold prices have steadied near recent highs, currently trading at 1,357 per ounce, and down slightly from Tuesday's 1,360 top. Dollar losses have consolidated, taking some support from gold prices, though with equities under water, and central bank easing still making news, downside is liable to be limited. The RBA cut rates on Tuesday, and the BoE is expected to do the same Thursday. Further central bank action should benefit the yellow metal. Gold prices are forming a cup and handle pattern which is a continuation pattern with a break out. A close above the 1,376 level would confirm this upward momentum and target the highs seen in March of 2014 near 1,388. Support on gold prices is seen near the 10-day moving average at 1,338. Momentum has turned positive as the MACD (moving average convergence divergence) index generated a buy signal.

Pivot:	1,350		
Support	1,346	1,338	1,328
Resistance	1,359	1,367	1,372

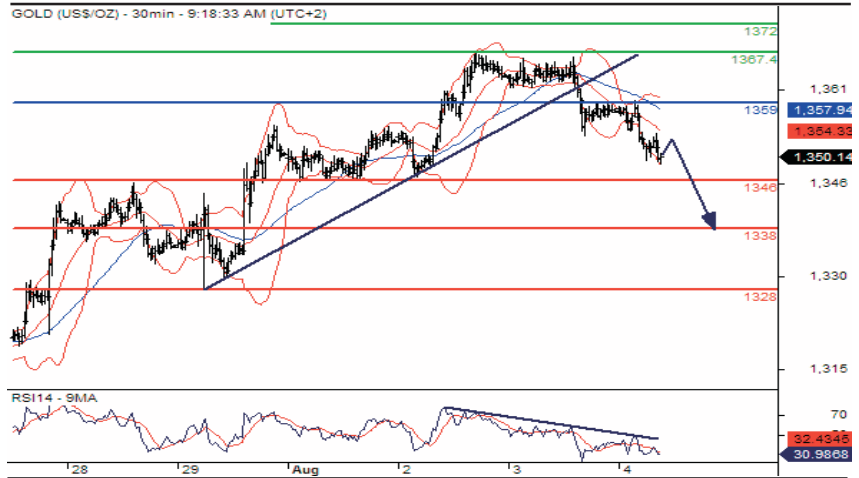
### Highlights

- Gold prices dropped, weighed down by a stronger U.S. dollar and investors taking profits on the precious metal's gains
- Gold for December delivery settled down 0.6% at \$1,364.70 a troy ounce
- The pullback yesterday broke a six-day winning streak for gold that led it to its highest level in nearly a month
- The Dollar Index yesterday, was recently up 0.4% at 86.50
- U.S private payrolls rose by 179,000 in July, in line with expectations

### Gold - Technical Indicators

RSI 14	61.02
SMA 20	1,337.02
SMA 50	1,320.74
SMA 100	1,285.32
SMA 200	1,220.66

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold slipped further today as the dollar firmed on the back of strong economic data and Asian stocks ticked up ahead of the Bank of England's expected rate cut later in the day.
- Investors bet the BoE would cut interest rates for the first time in more than seven years to ward off recession following Britain's vote in June to leave the European Union.
- The central bank is expected to halve its benchmark interest rate to a record low of 0.25 percent when it makes a monthly policy statement. Spot gold was down 0.4 percent at \$1,351.52 an ounce, after declining 0.4 percent in the previous session. U.S gold fell 0.5 percent to \$1,358.30 an ounce.
- Investors are convinced that the central banks have to provide more stimulus measures sooner or later. Because of that the trading range of \$1,300-\$1,400 could be more robust in the medium term. There is no quite significant breakthrough or selling to destroy the trading pattern.
- Spot gold is expected to test a support at \$1,350 per ounce, a break below which could cause a loss into a range of \$1,342-\$1,346, Reuters technical analyst Wang Tao said.
- The dollar bounced back from Tuesday's six-week low against a basket of six major currencies as investors looked forward to U.S. payrolls data for July on Friday. A rebound in oil prices from four-month lows lifted Asian stocks. The dollar index was up about 0.1 percent at 95.655.
- A report from payrolls processor ADP on Wednesday showed U.S. private employers added 179,000 jobs in July, a tad above market expectations and bolstering hopes that Friday's non-farm payrolls data could show moderate growth in employment. Holdings of SPDR Gold Trust, fell 0.03 percent to 969.65 tonnes 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	
5/10/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
5/17/2016	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
5/24/2016	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
5/31/2016	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
6/07/2016	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

WTI Crude oil prices moved higher on Wednesday in tandem with Brent crude oil prices despite an unexpected build in crude oil inventories that was likely caused by robust imports. Prices initially moved lower, generating a lower low, but pushed higher during the afternoon, closing up on the day. Resistance is seen near the 10-day moving average at 46.08. Momentum The EIA reported that U.S. commercial crude oil inventories increased by 1.4 million barrels from the previous week. Analysts had expected crude oil inventories to decline by 2 million barrels. Gasoline inventories decreased by 3.3 million barrels last week, but despite this change inventories are well above the upper limit of the average range. Distillate fuel inventories increased by 1.2 million barrels last week and are above the upper limit of the average range for this time of year.

Pivot:	40.93		
Support	39.93	39.18	38.35
Resistance	41.90	42.35	43.21

### Highlights

- Oil prices jumped about 3 percent after the U.S. government reported a larger-than-expected gasoline inventory drawdown
- U.S crude inventories rose 1.4 million barrels last week, compared with expectations for a decrease of 1.4 million barrels
- WTI settled up \$1.32, or 3.34 pct, at \$40.83, and last traded at \$40.87
- A bounce on the gasoline stock draw is no surprise, but the gains could be short-lived
- The glut has led many economists to predict lower prices going forth

### Crude - Technical Indicators

RSI 14	34.12
SMA 20	43.34
SMA 50	46.25
SMA 100	45.95
SMA 200	40.22

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices jumped more than 3 percent yesterday, with U.S. crude futures returning to above \$40 a barrel, after a larger-than-expected gasoline draw offset a surprise build in crude stockpiles in the No. 1 oil consumer.
- U.S. crude inventories rose for a second week in a row, gaining 1.4 million barrels last week, compared with analysts' expectations for a decrease of 1.4 million barrels, Energy Information Administration (EIA) data showed.
- Gasoline stocks slumped by 3.3 million barrels, versus forecasts for a 200,000-barrel drop. The large draw assuaged some market participants' worry of a gasoline glut amid the peak U.S. summer driving season.
- U.S. West Texas Intermediate (WTI) crude CLc1 settled up \$1.32, or 3.3 percent, at \$40.83 a barrel. On Tuesday, it settled below \$40 a barrel for the first time since April. Investors are not surprised to see spot prices rebounding on the gasoline draw.
- Oil rallied from 12-year lows of \$26-\$27 in the first quarter to almost \$53 in June, boosted initially by expectations, later dashed, that OPEC would freeze output and later by supply outages.
- But a worldwide oversupply since in motor fuels and other refined products has stymied the rebound. Worries about slowing economies in Asia - the driver of oil demand growth - and Europe have weighed, along with near record-high OPEC output and signs of a new price war by Saudi Arabia for crude.
- The global glut has led many traders to predict lower prices going forth. Economists expect to see a little bit of price consolidation from here but our target really is for \$35 WTI, which means any rebound you get will be more of a bear market correction. Goldman Sachs held its 2017 forecast of \$52.50 and near-term range of \$45-\$50 for WTI. But it noted that oil's recent decline came amid supportive factors like the dollar weakening

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
5/17/2016	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
5/24/2016	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
5/31/2016	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
6/07/2016	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

## Silver

### Technical

Silver ended up initially trying to rally during the course of the session on Wednesday, but turn right back around to form a bit of a shooting star. The shooting star of course formed after the previous shooting star, so it suggests that the market is going to pull back from here but ultimately I believe that the silver market continues to go much higher. With this being the case, it is only a matter of time before the buyers return and that's exactly how I'm going to trade this market as it looks so positive over the longer term. The price of silver is at a critical spot here, as it trades at the upper-end of a developing daily range. On Monday, we said risk appears to have become skewed to the downside with the recent rally taking the metal into a known area of resistance between approximately 20.48 and 20.66. On Tuesday, silver moved to 20.76, but was unable to hold higher levels.

Pivot:	20.20		
Support	19.93	19.74	19.50
Resistance	20.44	20.55	20.78

### Highlights

- Silver fell after a rises in the dollar on the back of strong employment data
- US private employers added 179,000 jobs in July, above economists' expectations, a report by a payrolls processor showed
- The ADP figures come ahead of the US Labor Department's more comprehensive non-farm payrolls report on Friday
- The Dollar recovered from Tuesday's six-week low, up 0.4 percent against a basket of currencies
- Silver dropped 1.3 percent to \$20.35 per ounce, a day after hitting a four-week high of \$20.78.

### Silver - Technical Indicators

RSI 14	61.11
SMA 20	20.08
SMA 50	19.01
SMA 100	17.87
SMA 200	16.27

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- With a steadier tone surrounding risk appetite and a modest dollar recovery, silver prices corrected lower yesterday as gold prices also lost support. Silver traded with a firm tone during yesterday's Asian trading session with a fragile tone in equities underpinning demand, although there was resistance above \$20.75 per ounce.
- There was some stabilisation in the European financial sector as HSBC's announcement of a share buyback plan boosted confidence despite weaker than expected earnings. Improved financial sentiment was important in boosting wider risk sentiment.
- The US ADP employment data was slightly stronger than expected with an increase in private-sector jobs of 179,000 for July from an upwardly-revised 176,000 for June, maintaining confidence in the labour market.
- The dollar held a slightly firmer tone following the ADP data with EUR/USD hitting selling interest above 1.1200. The headline US ISM non-manufacturing data was slightly weaker than expected at 55.5 from 56.5 previously, but there was a strong reading for orders and production which helped support overall confidence in the services sector.
- The data releases overall helped underpin confidence in the US outlook, which stabilised risk conditions. The dollar also gained some fresh support following the data with EUR/USD dipping below 1.1170 and USD/JPY touching 101.50. Bonds came under some fresh selling pressure, although moves were limited and equities were slightly higher.
- The Bank of England rate decision will have some impact on prices during Thursday, although the main theme is likely to be consolidation ahead of Friday's US employment report. Silver is now heading for its first annual gain in four years.

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	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
5/17/2016	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
5/24/2016	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
5/31/2016	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
6/07/2016	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Thursday, August 04, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Aug 04	10:45	CHF SECO Consumer Confidence (JUL)	Medium	-15	-16	-15
Thu Aug 04	13:10	EUR Markit Germany Retail PMI (JUL)	Medium	52.0		51.6
Thu Aug 04	13:10	EUR Markit Eurozone Retail PMI (JUL)	Medium	48.9		48.5
Thu Aug 04	16:00	GBP Bank of England Rate Decision (AUG 4)	High	0.25%	0.25%	0.50%
Thu Aug 04	16:00	GBP BOE Asset Purchase Target (AUG)	High	435b	375b	375b
Thu Aug 04	16:00	GBP Bank of England Inflation Report	High			
Thu Aug 04	17:30	USD Initial Jobless Claims (JUL 30)	Medium		265k	266k
Thu Aug 04	19:00	USD Factory Orders (JUN)	Medium		-1.9%	-1.0%
Thu Aug 04	19:00	USD Durable Goods Orders (JUN)	Medium		-4.0%	-4.0%

Source: *Forex Factory, DailyFX*

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