

Gold

Technical

Gold futures plunged on Friday to finish at \$1341.40, down \$26.00 or -1.90%. The selling was in reaction to a sharp rise in the U.S. Dollar. A stronger-than-expected U.S. Non-Farm Payrolls report helped push up the odds of a Fed rate hike in 2016, driving up U.S. Treasury yields, making the dollar a more attractive investment. Since gold is dollar-denominated, foreign demand tends to drop when the dollar increases. Technically, the main trend is up according to the daily swing chart. The uptrend will resume on a trade through \$1384.40. The trend will change to down on a trade through \$1318.50. Friday's price action suggests momentum may be shifting to the downside with the formation of a possible secondary lower top at \$1374.20. The short-term range is \$1318.50 to \$1374.20. Its retracement zone at \$1346.40 to \$1339.80 is currently being tested.

Pivot:	1,337		
Support	1,329	1,321	1,313
Resistance	1,346	1,354	1,359

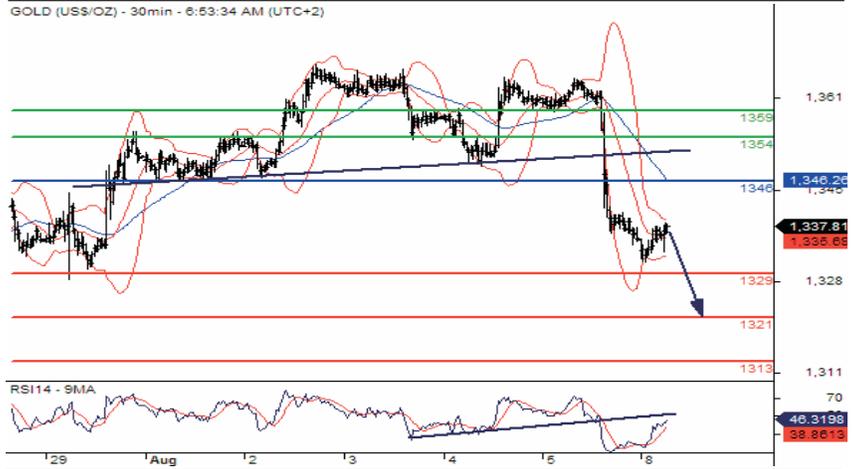
Highlights

- Gold today hovered near lows from the previous session, when it fell nearly 2 percent on a firmer dollar
- A stronger-than-expected July jobs report likely increased the possibility of a U.S rate hike later this year
- Spot gold had slipped 0.1 percent at \$1,333.80 an ounce
- Bullion touched a low of \$1,331.36 today, its lowest since July 29
- U.S. employment rose more than expected for the second month in a row in July

Gold - Technical Indicators

RSI 14	50.77
SMA 20	1,337.02
SMA 50	1,324.64
SMA 100	1,287.92
SMA 200	1,223.47

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold inched down to a fresh one-week low today in Asian session, after falling about 2 percent in the previous session, as stronger-than-expected U.S. jobs data increased the possibility of a rate hike this year by the Federal Reserve.
- U.S. employment rose more than expected for the second month in a row in July and wages picked up, bolstering expectations of faster economic growth, and raising the probability of an interest rate increase this year. Spot gold fell 0.2 percent to \$1,332.80 an ounce, after dipping to as low as \$1,331.36, the lowest since July 29.
- U.S gold edged down 0.5 percent to \$1,338.40 an ounce. Gold prices have fully digested the nonfarm payrolls data. The U.S. economic fundamentals have picked up. But, the downside risks from whatever is happening on the Brexit is still unknown. Another uncertainty that market watchers will be looking at would be the U.S. presidential elections.
- Spot gold may test resistance at \$1,339 per ounce, with a good chance of breaking above this level and bouncing more towards the next resistance at \$1,346, according to Reuters analyst Wang Tao.
- There was a mix of short covering and bargain hunting on Monday before sellers wrestled back control. Traders and top Wall Street banks expect the Fed to raise U.S. interest rates in 2016 after a strong July jobs report.
- Gold is highly sensitive to rising rates, which lift the opportunity cost of holding non-yielding assets such as bullion, while boosting the dollar, in which it is priced. Speculators added net longs in gold futures for the first time in four weeks in the week to Aug. 2.
- Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.73 percent to 980.34 tonnes on Friday. Investors may be seeing a turning point setting in for both gold and silver.

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

Oil prices benefited from the risk on trade following the stronger than expected NFP report released on Friday by the Department of Labor. With more than 255K jobs created demand for gasoline will likely continue at robust rates. Prices were capped by an increase in operating rigs. The US oil rig count increased by seven to 381 this week, according to driller Baker Hughes. That's the highest level since March 18, 2016. Prices edged slightly lower on the trading session and are poised to test resistance near the 20-day moving average at 43.63. Support is seen near the weekly lows at 39.19. Momentum has turned positive as the MACD (moving average convergence divergence) index generated a buy signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses above the 9-day moving average of the spread.

Pivot:	41.93		
Support	41.00	40.40	39.18
Resistance	42.50	43.21	43.80

Highlights

- Oil futures were little changed in early Asia trading today, pausing after a volatile week that tipped prices into bear-market territory
- Crude for September delivery rose nine cents to \$41.89 a barrel
- Futures have wavered for the last several sessions around the low \$40-a-barrel-mark after last week's rebound from bear-market lows
- Oil demand rallied in the wake of the tumble in prices in 2015 and early 2016
- The Baker Hughes data show rigs operating in the U.S are the highest since March at 381

Crude - Technical Indicators

RSI 14	38.63
SMA 20	42.96
SMA 50	45.89
SMA 100	46.02
SMA 200	40.31

Crude Oil Daily Graph



Fundamentals

- Oil prices rose today in Asian session, lifted by reports of renewed talks by some members of the Organization of the Petroleum Exporting Countries (OPEC) to restrain output.
- U.S West Texas Intermediate (WTI) crude futures were at \$41.99 per barrel, up 19 cents, or 0.5 percent, from their last close. The price rise came on the back of renewed calls by some OPEC members to freeze production in a bid to rein in output that has been consistently outpacing demand, a demand that non-OPEC oil producing giant Russia was quick to dismiss.
- OPEC members including Venezuela, Ecuador and Kuwait are said to be behind this latest reincarnation. But just like previous endeavours, it seems doomed to fail.
- Yet in the absence of an agreement, the crude and refined product glut is still weighing on markets. In China, July fuel exports rose over 50 percent from a year ago to a monthly record 4.57 million tonnes, official data showed on Monday, as easing demand growth and a surplus in refined oil products pushed refiners to increase shipments to overseas buyers.
- Because of the fuel glut, money managers have positioned themselves in expectation of lower prices, raising the amount of short positions in WTI futures that would profit from lower prices to a new all-time record.
- In response to the negative market sentiment, parties such as hedge funds are once again taking speculative positions on further oil price declines. Meanwhile, the amount of oil rigs drilling in the United States rose to 381, the highest amount since March.
- On the demand side, strong recent oil demand growth was set to weaken. In July following the UK Brexit vote, the IMF downgraded global growth by 10 basis points in 2016 and 20 in 2017. This has negative implications for demand.

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 markets fell significantly during the course of the session on Friday, but you can also see that we started to bounce a little bit during the course of the day. With this, I believe that the market will eventually turn around and continue to go to the upside. The \$19.50 level below should be a supportive level that could keep the market going higher, but at the time recording it doesn't even look as if are going to reach down there. I am a buyer, and believe that longer-term silver goes to much higher levels given enough time. Silver prices experienced a spike higher on Thursday following the release of the BoE decision to not only cut its benchmark rate to a record-low 0.25%, but also expand its QE program by £60 billion, and indicate further actions could be taken if the central bank feels it's necessary. The jet higher was relatively short-lived, reversing back lower.

Pivot:	19.73		
Support	19.47	19.30	19.20
Resistance	20.01	20.19	20.43

Highlights

- Silver futures for September delivery tumbled 62.6 cents, or 3.06%, on Friday to settle at \$19.81 a troy ounce
- On the week, silver prices lost 63.5 cents, or 1.12%
- The U.S economy added 255,000 jobs last month, well above expectations for 180,000, the Labor Department said on Friday
- The upbeat data reignited speculation that the Fed will lift interest rates this year
- The U.S dollar surged to a one-week high of 96.50 in wake of jobs report

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

- Silver prices plunged on Friday, after data showed the U.S. economy created more jobs than expected in July, raising the probability of an interest rate hike from the Federal Reserve in the coming months.
- The U.S. economy added 255,000 jobs last month, well above expectations for 180,000, the Labor Department said on Friday. June's number was revised up to 292,000 jobs compared with the previous estimate of 287,000.
- Meanwhile, the unemployment rate held steady at 4.9%, as more people entered the labor market. The report also showed that average hourly earnings rose month-on-month by 0.3%, beating expectations for a 0.2% gain. They were up 2.6% on the year.
- The upbeat data reignited speculation that the Federal Reserve will lift interest rates this year. Fed funds futures are currently pricing in a 15% chance of a rate hike by September. December odds were at around 44%, up from 33% ahead of the report.
- The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, surged to a one-week high of 96.50 in wake of the stronger-than-expected jobs report. It was at 96.19 by late Friday, up almost 0.5% for the day.
- A stronger U.S Dollar usually weighs on precious metals, as it dampens the metal's appeal as an alternative asset and makes dollar-priced commodities more expensive for holders of other currencies.
- Precious metals are sensitive to moves in U.S. rates. A gradual path to higher rates is seen as less of a threat to gold prices than a swift series of increases. In the week ahead, investors will continue to focus on U.S. economic reports to gauge if the world's largest economy is strong enough to withstand a rate hike in the coming months, with Friday's retail sales data in the spotlight.

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	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

Monday, August 08, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Aug 08	04:50	Japan Trade Balance - BOP Basis (Yen) (JUN)	Medium	¥763.3b	¥773.3b	¥39.9b
Mon Aug 08	07:59	China Trade Balance (JUL)	Medium	\$52.31b	\$47.30b	\$48.11b
Mon Aug 08	10:00	Japan Eco Watchers Survey: Current (JUL)	Medium	45.1	42.5	41.2
Mon Aug 08	10:00	Japan Eco Watchers Survey: Outlook (JUL)	Medium	47.1	42.0	41.5
Mon Aug 08	11:00	German Industrial Production n.s.a. and w.d.a. (YoY) (JUN)	Medium	0.5%	0.5%	-0.4%
Mon Aug 08	12:15	Switzerland Consumer Price Index (YoY) (JUL)	Medium	-0.2%	-0.3%	-0.4%
Mon Aug 08	13:30	Euro-Zone Sentix Investor Confidence (AUG)	Medium		3	1.7
Mon Aug 08	17:30	Canada Building Permits (MoM) (JUN)	Medium		1.5%	-1.9%
Mon Aug 08	19:00	U.S Labor Market Conditions Index Change (JUL)	Low			-1.9

Source: Forex Factory, DailyFX

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