

Gold

Technical

Gold prices rebounded off of their lows in Friday's trading session, and was unable to stay below support near the 10-day moving average at 1,343. Resistance is seen near the July highs at 1,370. Broad based U.S dollar strength has also helped erode the value of the precious yellow metal given the recent bearish comments from Fed Presidents during the course of the last week. Momentum on the yellow metal has turned negative as the MACD (moving average convergence divergence) index is generating a sell signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crossed below the 9-day moving average of the spread. The index moved from positive to negative territory confirming the sell signal. The index is printing in the red with a downward sloping trajectory which points to lower prices.

Pivot:	1,333		
Support	1,330	1,325	1,321
Resistance	1,342	1,348	1,351

Highlights

- Gold fell 0.8 percent on Friday to settle at \$1,346.20 an ounce paring last week gains to 0.2 percent
- The split among Federal Reserve officials on whether to boost U.S borrowing costs is whipsawing gold again
- Williams said Thursday it makes sense to get back to a pace of gradual increases
- The market remains very twitchy around anything that relates to the Fed
- Holdings in exchange-traded products backed by bullion slipped 0.1 percent to 2,027.6 metric tons

Gold - Technical Indicators

RSI 14	52.45
SMA 20	1,346.70
SMA 50	1,336.18
SMA 100	1,298.07
SMA 200	1,236.30

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold fell more than 1 percent on Friday, snapping a four-day streak of gains following conflicting signals from U.S. Federal Reserve officials on the timing of a possible rate hike, but was still on track for its second straight week higher.
- Spot gold fell as much as 1.5 percent to a session low of \$1,337.37 per ounce, paring losses when it was down 0.7 pct at \$1,342.62. The yellow metal was still heading for a weekly gain of around 0.6 percent.
- U.S gold settled down 0.8 percent at \$1,346.2 per ounce. Gold is sensitive to higher rates which lift the opportunity cost of holding non-yielding assets such as bullion, while boosting the dollar in which it is priced. Holdings of SPDR Gold Trust, the world's largest gold-backed ETF, fell for a second day in Friday's session.
- There have been mixed signals this week from Federal Reserve policymakers, which left the market anticipating more direction at next week's annual meeting of central bankers from around the world in Jackson Hole, Wyoming. At that gathering Fed Chair Janet Yellen is seen likely to cement expectations for a slow pace of rate increases.
- Investors have had conflicting statements from the Fed and it's created quite a lot of confusion as to the thinking, so now the market is waiting to hear ... Yellen's thoughts on the world and economic growth.
- The dollar rose 0.4 percent against a basket of six major currencies as investors began to price in a greater likelihood that the Fed will raise rates this year, while stocks on major markets fell worldwide.
- Gold prices could drop back in the short term if the Fed resumes its rate hikes sooner than the markets currently anticipate. But any pull-backs are likely to be temporary, particularly with the U.S. presidential elections coming up and the potential contagion of Brexit to the rest of the EU.

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 reversed from their highs of the session after notching up a fresh monthly high at 48.70, but then pulling back to test the 48 per barrel level. Target resistance is seen near the 50 level and then a downward sloping trend line that connects the highs in October to the highs in June and comes in near 52.50. Prices were buoyed during the course of the week after the Energy Information Administration reported a larger than expected draw in crude oil and gasoline inventories. Support on crude oil is seen near the 20-day moving average at 43.29. Momentum remains positive with the MACD (moving average convergence divergence) index printing in the black with an upward sloping trajectory which points to higher prices. The RSI (relative strength index) moved higher with price action reflects accelerating positive momentum.

Pivot:	47.61		
Support	46.60	45.80	45.15
Resistance	48.77	50.00	50.72

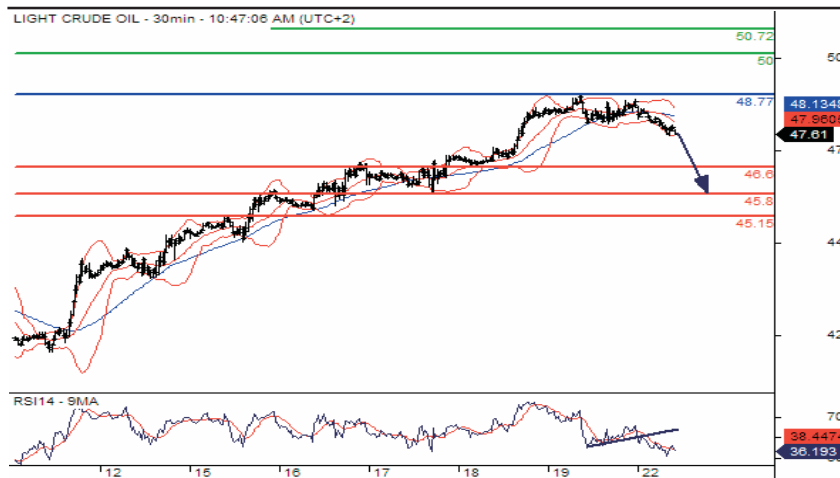
Highlights

- Crude oil prices fell today because of investors and money managers cashing in
- U.S West Texas Intermediate crude fell 1.67% to \$47.71 for September deliveries
- Last week's uptick in prices has been welcomed, but market observers believe that crude's rise to \$49 a barrel won't last that long
- The New York-based Morgan Stanley said in a note that the rise has been down to technical rather than fundamental reasons
- Baker Hughes announced Friday that the oil rig count rose by 10 to 406

Crude - Technical Indicators

RSI 14	67.33
SMA 20	43.27
SMA 50	45.27
SMA 100	46.36
SMA 200	40.76

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell today in Asian session as analysts doubted upcoming producer talks would rein in oversupply, saying that Brent would likely fall back below \$50 a barrel as August's more than 20-percent crude rally looks overblown.
- Soaring exports of refined products from China also pressured prices, as this was seen as the latest indicator of an ongoing global fuel glut. China's July exports of diesel and gasoline soared by 181.8 and 145.2 percent respectively compared with the same month last year, to 1.53 million tonnes and 970,000 tonnes each, putting pressure on refined product margins
- U.S West Texas Intermediate crude was down 84 cents, or 1.73 percent, at \$47.68 a barrel. Analysts cast doubt on an August price rally, saying much of it was a result of short-covering and anticipation of upcoming producer talks to discuss means to curb oversupply.
- "Positioning data seems to confirm our view that the latest oil bounce is more technical and positioning-oriented than fundamental. In fact, new buyers have been mostly absent the past few months," Morgan Stanley said.
- Regarding the upcoming producer talks, the bank said a agreement was "highly unlikely" and that there were "too many headwinds and logistical challenges to a meaningful deal".
- Members of the Organization of the Petroleum Exporting Countries (OPEC) and other producers like Russia are set to meet in September to discuss a freeze in output levels in order to rein in oversupply, but analysts said animosity between OPEC-members Saudi Arabia and Iran made a deal unlikely.
- Though Iran now sits roughly 200,000 barrels per day away from its monthly pre-sanctions peak in May 2011, we do not see it accepting restraints on its output, and without Iran's inclusion, Saudi Arabia will not take part. the U.S. oil rig count increased by 10 last week.

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

The silver markets fell significantly during the course of the session on Friday, breaking down below the \$19.50 level. However, we are starting to see that the buyers are trying to push somewhere near the \$19.25 level. With this being the case, the market should continue to go back and forth according to the most recent information. However, if we can break down below the \$19 level, the market will more than likely reach down to the \$18 level. Ultimately, this is a market that has a lot of volatility in it, and has quite a bit of bullish pressure underneath so we will have to see what happens next. Support at \$19.55 was seen as a critical price point, the level held Silver prices higher in the early July, and once again in early August. The combined break of support, as well as the rising trendline, has set a bearish tone. Further support is seen in a zone between \$18.19 and \$18.45.

Pivot:	18.95		
Support	18.69	18.47	18.16
Resistance	19.46	19.78	20.11

Highlights

- Silver dropped sharply as investors keep a sharp eye on the prospects for a near-term rate hike by the Federal Reserve
- Silver futures for September delivery dropped 1.86% to \$18.975 a troy ounce
- A highly anticipated speech by Fed Chair Janet Yellen at the annual meeting of top central bankers and economists in Jackson Hole is in the spotlight
- Odds for a near-term rate hike came back in focus after Williams signaled for a September rate hike
- The precious metal is sensitive to moves in U.S. rates

Silver - Technical Indicators

RSI 14	42.18
SMA 20	20.04
SMA 50	19.61
SMA 100	18.29
SMA 200	16.62

Silver Daily Graph



Fundamentals

- Silver prices declined sharply Friday and were on track for their third consecutive weekly drop, as the US dollar stabilized and investors continued to speculate about the possibility of a Federal Reserve rate hike in 2016. Silver for September delivery declined 30 cents or 1.5% to \$19.44 a troy ounce
- For the week, the futures price is on pace for a 1.3% decline. The contract is trading at the lower end of its daily range and is on track to settle at a more than one-month low.
- The US dollar appeared to be stabilizing after sustaining heavy losses throughout the week. The dollar index, which tracks the performance of the US currency against a basket of competitors, rose 0.3% to 94.41. The index settled at a nearly two-month low on Thursday. For the week, the dollar is on track for a 1.4% decline.
- In economic data, German producer inflation rose faster than expected in July, but continued to trend sharply lower in annual terms. The producer price index (PPI) rose 0.2% from March and was down 2% compared to 12 months earlier, the Federal Statistics Office said. Both readings were stronger than the median estimate of economists.
- Meanwhile, Japan's All Industry Index rose 1% in June, reversing the previous month's decline, the Ministry of Economy, Trade and Industry said. The U.S had no major announcements scheduled for Friday.
- Action resumes next week with PMI, housing and durable goods orders. These indicators will give traders more clues about the health of the US economy, which could factor into their outlook on monetary policy.
- A highly anticipated speech by Fed Chair Janet Yellen at the annual meeting of top central bankers and economists in Jackson Hole, Wyoming, is in the spotlight for fresh clues on the timing of the next U.S. rate hike.

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 22, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Aug 22	10:00	JPY Supermarket Sales (YoY) (JUL)	Low	0.2%		-0.5%
Mon Aug 22	12:00	CHF Money Supply M3 (YoY) (JUL)	Low	2.7%		2.3%
Mon Aug 22	12:00	JPY Convenience Store Sales (YoY) (JUL)	Low	0.3%		0.8%
Mon Aug 22	13:00	CHF Total Sight Deposits (AUG 19)	Low	514.1b		512.9b
Mon Aug 22	13:00	CHF Domestic Sight Deposits (AUG 19)	Low	436.1b		434.7b
Mon Aug 22	17:30	USD Chicago Fed Nat Activity Index (JUL)	Low		0.2	0.16
Mon Aug 22	17:30	CAD Wholesale Sales (MoM) (JUN)	Low		0.1%	1.8%
Mon Aug 22	20:30	USD U.S. to Sell 3-Month Bills	Low			
Mon Aug 22	20:30	USD U.S. to Sell 6-Month Bills	Low			

Source: Forex Factory, DailyFX

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