

Gold

Technical

Gold prices steadied yesterday, after falling sharply on Friday. Heightened Fed rate hike prospects, along with dollar strength has kept pressure on the contract, which ranged between 1,318.0, and 1,324.95. The July 12 low of 1,312.80 provides the next support level, while the 10-day moving average at 1,336.00 is first major resistance. VC Stanley Fischer on Friday stated that the Fed was data dependent and this Friday's payroll report would help paint a picture for the committee. Momentum on the yellow metal remains negative as the MACD (moving average convergence divergence) index prints in the red with a downward sloping trajectory which points to lower prices for the yellow metal. There are a number of data points which will help generate volatility before Friday including the U.S. ISM Manufacturing report and the ADP private payroll report.

Pivot:	1,320		
Support	1,314	1,309	1,304
Resistance	1,331	1,335	1,340

Highlights

- Gold prices reversed losses yesterday, as investors looking for bargains stepped in to buy up the precious metal
- Gold for December delivery settled up 0.1% at \$1,327.10 a troy ounce
- Fears of an interest-rate increase weighed on gold prices
- Fed Vice Chairman Stanley Fischer suggested that a rate increase could come as soon as September
- Speculative investors have piled into bullish gold bets this year

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 seesawed within a narrow range today on the back of a steady dollar, as investors waited for cues on the timing of U.S. interest rate hike from nonfarm payroll data, due later this week.
- Gold remains range-bound within a descending triangle over the past month, with price action likely to remain fairly stable while inside this. Prices will need to either breach the next major support at \$1309-11 or \$1334.80 and \$1355 to the topside to garner more interest.
- Spot gold slipped 0.2 percent at \$1,320.79 per ounce. The metal had recovered from a near five-week low of \$1,314.70 after a dollar run lost some steam late in yesterday's trading session. U.S gold futures was down 0.2 percent to \$1,324.80.
- While investors have seen some outflows from exchange-traded funds, investors are relatively happy to hold gold, considering the environment of low-interest rates and negative yield.
- Federal Reserve Chair Janet Yellen said on Friday the case for "an increase" in the policy rate has strengthened in the recent months due to improvements in the labor market and expectations for solid economic growth.
- Friday's nonfarm report for August, as well as other data, could reinforce hawkish messages from Yellen and other Fed officials. Employers are expected on Friday to show 180,000 job gains in August, according to a Reuters poll, below the better-than-expected 255,000 additions in July and 292,000 gains in June.
- Gold may be especially sensitive to that (jobs data) release should the data be seen as likely to influence the timing of a future interest rate hike. Other upcoming data will detail personal consumption, consumer confidence, car sales, and factory activity, and may also influence gold.

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

Crude fell to 46.79 per barrel during the European time zone, fading from 47.28 highs in early Asian trade. Dollar strength following Friday's hawkish Fed speak has weighed on prices, taking the dollar index to two-week highs, while hopes for a supply freeze have all but disappeared after Iran said it would consider talks only after it regained all of its pre-sanction market share. Resistance on crude oil prices is seen near the 10-day moving average near 47.51. Support is seen near last week's lows at 46.40. Prices appear to be forming a bull flag pattern which is a pause that eventually refreshes. Momentum is neutral as the trajectory of the MACD (moving average convergence divergence) index has flattened considerably. The RSI (relative strength index) is printing a reading of 55, which is in the middle of the neutral range and also reflects consolidation.

Pivot:	47.25		
Support	46.40	45.81	45.00
Resistance	47.40	47.96	48.45

Highlights

- Oil prices were modestly higher, rebounding from overnight losses as market players continued to monitor a global supply glut
- Crude oil for October delivery on the New York Mercantile Exchange tacked on 28 cents, or 0.6%, to trade at \$47.26 a barrel
- Oil's losses yesterday came as a broadly stronger U.S. dollar, fading hopes of a production freeze
- The U.S. dollar rose to 95.83 today in Asian session, the most since August 12
- An increase in U.S. interest rates tends to lift the dollar, which would make oil more expensive

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



Fundamentals

- Oil futures rose today supported by production suspensions in the U.S. Gulf due to an expected tropical storm and speculation that producers meeting in Algeria next month will act to prop up prices.
- U.S. West Texas Intermediate (WTI) crude was up 45 cents at \$47.43 a barrel. Brent crude futures were trading at \$49.73 per barrel, up 47 cents from the previous close.
- Oil and gas operators in the U.S. Gulf of Mexico have shut production equal to 168,334 barrels-per-day (bpd) of oil and 190 million cubic feet per day of natural gas as a precaution against a tropical storm, the U.S. Bureau of Safety and Environmental Enforcement said yesterday.
- Oil prices have also been taking direction from speculation that a meeting next month in Algeria of major producers including members of the Organization of the Petroleum Exporting Countries could yield a deal on production levels to support prices.
- Prices are still finding support from the expectations of an agreement on production caps being reached at the late-September meeting. Saudi Arabian Energy Minister Khalid Al-Falih told Reuters last week he does not believe an intervention in oil markets is necessary since the "market is moving in the right direction".
- Iraq - which increased crude exports this month from its southern ports compared with July - will continue ramping up output, its oil minister said on Saturday. Oil prices are caught between concerns about over-supply and a strong dollar.
- The prospect of further jawboning from OPEC members that some form of production freeze could be on the cards. The huge global oil oversupply that has weighed on prices for the past two years may not clear until the second half of 2017, Shell's chief energy adviser Wim Thomas told Reuters.

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 initially fell yesterday, but found enough support below the \$18.50 level to turn things back around and form a bit of a hammer. With this being the case, it's likely that the markets will continue to find a bit of support just below, but ultimately there is a bit of a "floor" at the \$18 level. With this being the case, I'm waiting to see in either a bounce or a supportive candle that I can start buying. I have no interest whatsoever in selling this market. The 52-week range for the contract sits at \$13.770 – \$21.250. Prices throughout this report are measured in U.S. dollars per troy ounce. Silver found a strong support at \$18.500 and presented a trading opportunity to go long at that level. Market players can see how the psychological \$19.000 acted as a ceiling on Friday. Silver may have downward bias in order to revert closer back towards its two counterparts.

Pivot:	18.69		
Support	18.35	18.17	18.03
Resistance	19.07	19.19	19.45

Highlights

- Silver prices for December delivery traded up 1.01% higher to \$18.935
- The 52-week range for the contract sits at \$13.77 to \$21.25
- Precious metals are treated as a hedge against market uncertainty, they often move inversely to the rest of the markets
- With positive economic data out of the U.S. yesterday, silver surprisingly also did very well, while equities rose
- U.S consumer spending rose in July on this the greenback should strengthen

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 edged lower yesterday, as the US dollar continued to strengthen on the heels of the Federal Reserve's Jackson Hole summit. Silver for December delivery December delivery slipped 5 cents or 0.2% to \$18.70 a troy ounce. The metal showed no upside through the overnight session, establishing a low of \$18.46.
- Silver for December settlement was trading at the upper end of its daily range, rising 16 cents or 0.9% to \$18.78 a troy ounce. Even with Friday's advance, silver is tracking for a weekly decline of around 4%.
- Since the beginning of the month, silver futures have declined more than 8%. Gold's premium over silver has steadily increased throughout August and as of Sunday stood at 70.88. This essentially states that one ounce of gold is worth 70.88 ounces of silver. The ratio was as low as 66.00 at the start of the month.
- A firmer dollar continued to weigh on precious metals following remarks by Federal Reserve officials that US interest rates could rise this year. The US dollar index rose 0.1% to 95.68, a fresh two-week high.
- Federal Reserve Chair Janet Yellen told the Jackson Hole Symposium on Friday that the case for raising interest rates had strengthened and that the Fed will resume its data-driven approach to monetary policy.
- In a separate interview Stanley Fischer, the Fed's No. 2, indicated that rates could rise as early as September. Fischer said that the upcoming jobs report could play a role in swaying policymakers' views about the need to continue normalizing monetary policy.
- The Labor Department's August nonfarm payrolls report will be released Friday. Employers are forecast to have added 175,000 workers to payrolls this month. The unemployment rate is forecast to edge down to 4.8% in August from 4.9%.

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

Tuesday, August 30, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Aug 30	04:30	JPY Jobless Rate (JUL)	Medium	3.0%	3.1%	3.1%
Tue Aug 30	04:30	JPY Household Spending (YoY) (JUL)	Medium	-0.5%	-1.4%	-2.3%
Tue Aug 30	12:00	CHF KOF Leading Indicator (AUG)	Medium	99.8	102	103.5
Tue Aug 30	13:30	GBP Net Consumer Credit (JUL)	Medium	1.181b	1.7b	1.857b
Tue Aug 30	14:00	EUR Euro-Zone Consumer Confidence (AUG)	Low	-8.5	-8.5	-7.9
Tue Aug 30	15:30	USD Fed's Fischer Speaks on Bloomberg Television	Medium			
Tue Aug 30	17:00	EUR German Consumer Price Index (YoY) (AUG)	High		0.5%	0.4%
Tue Aug 30	18:00	USD S&P/Case-Shiller US Home Price Index (YoY) (JUN)	Medium			5.05%
Tue Aug 30	19:00	USD Consumer Confidence (AUG)	High		97	97.3

Source: Forex Factory, DailyFX

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