

Gold

Technical

Gold markets rally during the day on Tuesday, clearing the \$1200 level. It now is testing the 100-exponential moving average, and it looks likely that we will break out. A move above the \$1220 level, the market should then continue to go much higher, but it should deal with quite a bit of choppiness until we get above the \$1230 level, or the 50% Fibonacci retracement level. The \$1200 level underneath is going to be supportive as well, so I believe that the gold buyers are returning in strength longer-term, especially at the US dollar starts to fall. Momentum has turned higher as the RSI (relative strength index) which is a momentum oscillator also broke out reflecting accelerating positive momentum which points to higher prices. Eurozone Q4 GDP came in a tad higher than expected at 0.5% quarter over quarter, while Q3 was revised up to 0.4% quarter over quarter from 0.3% quarter over quarter.

Pivot:	1,210		
Support	1,203	1,199	1,196
Resistance	1,215	1,219	1,222

Highlights

- Gold futures rallied to their highest level in just over a week yesterday
- Gold marked the strongest monthly gain since June on the back of a retreat in U.S. stocks and weakness in the dollar
- Gold is catching a bid from both a falling dollar, as well as the Trump-off trade
- The Fed will conclude its latest two-day meeting today
- President Donald Trump's executive orders are the primary reason behind January's gold performance

Gold - Technical Indicators

RSI 14	63.70
SMA 20	1,177.00
SMA 50	1,170.90
SMA 100	1,222.70
SMA 200	1,268.80

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold slipped today as the dollar recovered from over 7-week lows and traders waited to see if the U.S Fed will keep its interest rates unchanged amid uncertainty over the policies of President Donald Trump.
- Spot gold edged down 0.2 percent to \$1,208.67 an ounce. U.S. gold futures slipped 0.1 percent to \$1,207.80. Spot gold gained more than 5 percent in January - its best month since June 2016 - as investors sought safe ground.
- The uncertainty the Trump government brings has worried the markets. What Trump does is beyond our expectations and people are kind of playing it safe by holding gold positions and waiting to see what happens in other markets.
- The U.S Dollar suffered its worst January in three decades after President Trump complained that every other country lives on devaluation. The comments intensified expectations that the new U.S. administration was making moves to talk down the greenback.
- Trump's top trade adviser, Peter Navarro, told the Financial Times that Germany is using a "grossly undervalued" euro to gain advantage over the United States and its own European Union partners.
- The dollar index, which measures the greenback against a basket of currencies, rose 0.3 percent to 99.788 as bargain hunters stepped in. The Fed is expected to keep U.S interest rates unchanged today in its first policy decision since President Trump took office, as the central bank awaits greater clarity on his economic policies.
- Fed officials might emphasize that they want to raise rates in the future, but there is not going to be any surprises. We think that the bumpy start to Trump's presidency will likely continue for a little while longer, lending an uneasy tone to the markets, but one which will provide fertile upside ground for gold. The bullish view is underscored by some largest fund managers betting on 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

The WTI Crude Oil market rallied after initially trying to dip on Tuesday. The market continues to show quite a bit of volatility, as we hover around the \$53 level in general. I see the \$51 level underneath as the beginning of significant support down to the \$50 level, just as I see the \$54 level above is the beginning of significant resistance extending all the way down to the \$55 level. The market continues to go back and forth, as we see quite a bit of volatility. I believe that the market should focus on the fact that the oil markets are oversupplied, and of course currency headwinds coming out of the United States. Ultimately, I feel that the market will start to look at the fact that the Canadians and the Americans are starting to draw even more, and the inventory numbers haven't been that great. Until then, I trade back and forth. Momentum is neutral as the MACD index is printing near the zero.

Pivot:	52.94		
Support	52.25	52.05	51.85
Resistance	53.25	53.55	53.70

Highlights

- Oil futures tipped higher but traded in choppy fashion as investors kept their eyes on progress for production cuts
- Focus remained on compliance with production cuts by the Organization of the Petroleum Exporting Countries
- Prices have been in a tight range of \$50 to \$55 a barrel for the past several months
- Trading volumes have been more subdued the past two days
- A multitude of factors could see oil-price volatility return

Crude - Technical Indicators

RSI 14	48.72
SMA 20	53.05
SMA 50	51.47
SMA 100	49.56
SMA 200	47.88

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil edged further above \$55 a barrel today in European trading session supported by signs that Russia and OPEC producers are delivering on promised supply reductions, although a report showing a large rise in U.S. crude inventories limited gains.
- Russia has cut production in January by around 100,000 barrels per day (bpd), according to data provided to Reuters on Wednesday. A day earlier, a Reuters survey found high compliance by OPEC with agreed cuts.
- Brent crude is currently trading up 25 cents at \$55.83 a barrel, having traded in a narrow 53-cent range so far in the session. U.S crude rose 26 cents to \$53.07.
- The producer efforts were countered by signs of a persistent supply glut in the United States. U.S. crude inventories rose by 5.8 million barrels, industry group the American Petroleum Institute said on Tuesday, more than analysts forecast.
- The oil complex remains firmly stuck in its narrow range after the API reported an unrelenting increase in bulging U.S. petroleum stockpiles. Any hopes of a sustained recovery in price will depend on increasing efforts by OPEC to curb output though the prospect of an upside breakout will be undermined by the budding revival in U.S. crude production.
- Following on from Tuesday's API report, the U.S. government's official inventory figures are due later on Wednesday. Analysts expect crude stocks to rise by 3.3 million barrels.
- The cuts by Russia and the Organization of the Petroleum Exporting Countries follow last year's agreement to lower supplies by a combined 1.8 million bpd, to prop up prices which are still half their level of mid-2014. A Russian cut of 100,000 bpd would be a third of Moscow's pledge to reduce its output by 300,000 bpd.

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 broke out during the day on Tuesday, clearing the \$17.30 level which had been so resistive. Because of this, the market should continue to go towards the \$18.50 level. I believe now that the \$17 level underneath is going to continue to be the “floor” in the market, so I believe that short-term pullbacks offer buying opportunities repeatedly. I have no interest in shorting, and I believe that although it will be choppy to the upside, I think that eventually we do reach towards the hives again. I have no interest in selling. At first, silver prices turned lower, but have come back in recent sessions; the process of dipping and ripping put in the ‘right shoulder’ of an inverse ‘head-and-shoulders’ pattern, and also triggered the ‘neckline’ as well. It was a quick development on the right side, but nevertheless there is decent symmetry to the two-month long formation.

Pivot:	17.51		
Support	17.35	17.23	17.04
Resistance	17.61	17.78	18.00

Highlights

- The US dollar tumbled against rivals yesterday and was on course for its worst January in three decades
- President Donald Trump commented on currency devaluation by other countries and his trade adviser remarked on the euro
- Silver is currently in the midst of a bullish uptrend with a lower Dollar
- The futures price rose as much as 2.2% earlier in the day
- New York’s iShares Silver Trust SLV, stood at 10,444.47 tonnes

Silver - Technical Indicators

RSI 14	59.02
SMA 20	16.51
SMA 50	16.52
SMA 100	17.26
SMA 200	18.05

Silver Daily Graph



Fundamentals

- Silver rebounded to nearly three-month highs yesterday, as the dollar fell against a basket of world currencies and risk aversion crept back into the financial markets.
- March silver futures rallied 26 cents, or 1.5%, to \$17.42 a troy ounce. That was the metal’s highest settlement since November 10. The futures price rose as much as 2.2% earlier in the day.
- Silver is in the midst of a bullish uptrend, with relative strength above 60 and the MACD pointing to upward momentum. With Tuesday’s advance, silver has rallied nearly 9% since the start of the year, reversing a volatile December where prices plumbed six-month lows.
- Precious metals were limited yesterday by a rebounding U.S. dollar, which appears to be showing signs of stability after a month-long downtrend. The dollar index, a broad performance measure of the buck against a basket of other currencies, strengthened 0.4% to 100.93. That’s the dollar highest level in over a week.
- With the decline, the U.S. currency is on track for its lowest settlement since November. Risk aversion also crept back into the picture at the start of the week, as investors reacted cautiously to U.S. President Trump’s ban on immigrants from seven Muslim-majority countries.
- The ban, which will be in effect for 90 days, raises concerns about the new administration’s immigration policies. Global stocks declined sharply on Monday, with U.S. equities posting their biggest retreat of the year.
- In economic data, the Eurozone economy expanded faster than expected in the fourth quarter, raising optimism that the regional recovery was on track. Fourth quarter GDP expanded 0.5%, which translated into an annualized gain of 1.8%, official data showed.

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

Wednesday, February 01, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Feb 01	02:45	NZD Employment Change (YoY) (4Q)	High	5.8%	6.1%	6.1%
Wed Feb 01	06:00	CNY Manufacturing PMI (JAN)	High	51.3	51.2	51.4
Wed Feb 01	13:30	CHF SVME-Purchasing Managers Index (JAN)	Medium	54.6	55.9	56.2
Wed Feb 01	14:30	GBP Markit UK PMI Manufacturing SA (JAN)	Medium	55.9	55.9	56.1
Wed Feb 01	17:00	USD MBA Mortgage Applications (JAN 27)	Medium	-3.2%		4.0%
Wed Feb 01	18:15	USD ADP Employment Change (JAN)	Medium		167k	153k
Wed Feb 01	20:00	USD ISM Manufacturing (JAN)	High		55	54.7
Wed Feb 01	20:30	USD DOE U.S. Crude Oil Inventories (JAN 27)	Medium			2840k
Wed Feb 01	00:00	USD Federal Open Market Committee Rate Decision (FEB 01)	High		0.75%	0.75%

Source: Forex Factory, DailyFX

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