

Gold

Technical

Gold markets have gone sideways overall during the day on Thursday, as we continue to test the \$1350 level for support. It makes sense that it would hold as support, as the level was significant resistance. The market needs to build up a bit of confidence to continue going higher, and I think there is a lot of noise between here and the \$1400 level as well. If we can finally break above the \$1400 level, then gold really starts to take off. I like the idea of buying dips, and I believe that there is plenty of support below, extending down to at least the \$1325 level, and perhaps even lower than that. If we were to finally break above the \$1400 level, then I will add on dips as we go forward, anticipating a move to at least the \$1800 level, if not \$2000 over the course of the next several months. This would coincide with the US dollar falling in general, so pay attention to the US Dollar Index.

Pivot:	1,358		
Support	1,348	1,336	1,330
Resistance	1,366	1,373	1,378

Source: FX EMPIRE

Highlights

- Gold prices edged higher today, heading for their biggest weekly percentage gain in nearly two years
- Gold was up 0.4 percent at \$1,358.40 an ounce after touching a high of \$1,360
- The metal is up more than 3 percent this week, set for its best weekly performance since the week ended April 29, 2016
- Gold has risen this week mainly due to a weaker dollar
- The Dollar slipped to a three-year low against a basket of currencies today

Gold - Technical Indicators

RSI 14	63.56
SMA 20	1,253.2
SMA 50	1,246.1
SMA 100	1,276.3
SMA 200	1,284.8

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold was on track for its fourth straight session of gains yesterday as the U.S. dollar slid to its lowest in two weeks on concerns about the impact of high U.S. debt levels and tax cuts.
- Spot gold added 0.2 percent at \$1,352.81 an ounce, after earlier hitting \$1,357.08, its highest since Jan. 25. It had risen 1.6 percent on Wednesday, its biggest one-day gain since May 2017.
- U.S. gold futures for April delivery settled down \$2.70, or 0.2 percent, at \$1,355.30 per ounce. "The debt level will be a major cause of inflation, because it will signal higher interest rates," said George Gero, managing director of RBC Wealth Management.
- "The higher rates will come as a product of inflationary pressures from the \$1.5 trillion infrastructure rebuilding and the rebuilding of Florida, Texas, California, Puerto Rico," he said, referring to weather-related disasters last year.
- The U.S Dollar index was down against a basket of currencies today, earlier hitting a near two-week low of 88.585. A recovery in broader risk sentiment was also seen weighing on the dollar, which gained during this month's market turmoil.
- The greenback has been hit by several setbacks this year, ranging from the possibility Washington might pursue a weak dollar strategy to the perceived erosion of its yield advantage as other countries end their easier monetary policy.
- Concerns about the growing U.S. fiscal deficit have also weighed on the currency. Inflation fears boost gold, which is seen as a safe haven against rising prices. But expectations that the U.S. Federal Reserve will raise interest rates to fight inflation make gold less attractive since it is not interest-yielding. BMI Research was neutral on gold prices.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
12/08/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
12/15/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
12/12/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
12/29/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market pulled back significantly at the beginning of the trading session on Thursday but found enough support near the psychologically important \$60 level to bounce. However, the previous uptrend line it should offer resistance, does not until we break above the \$62 level that I'm convinced that the rally can continue. I believe that the markets will continue to struggle, but a falling US dollar might be helping, at least temporarily. Demand is probably not going to be to keep up with oversupply though, so I think any rally probably has a limited lifeline. I believe that selling signs of exhaustion is the best way to trade. Brent markets also pulled back during the day on Thursday, reaching down towards the \$63.25 level. We found enough strength to go higher and reach towards the \$64.50 level again, but the \$65 level above there should be very resistive.

Pivot:	61.54		
Support	60.55	59.75	58.90
Resistance	62.05	63.25	64.20

Source: FX EMPIRE

Highlights

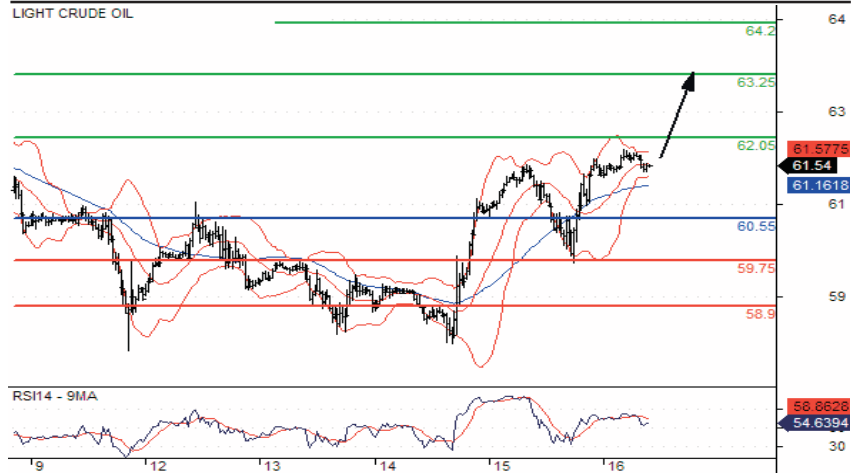
- Oil futures proved resilient yesterday, with the U.S. benchmark reversing earlier weakness to end higher
- The U.S. dollar continued to weaken, while the global oil benchmark largely erased losses
- West Texas Intermediate futures rose 74 cents, or 1.2%, to end at \$61.34 a barrel
- A weaker Dollar can be a positive for commodities priced in dollars, making them cheaper to users of other currencies
- Consumer inflation saw a stronger-than-expected rise in January

Crude - Technical Indicators

RSI 14	57.06
SMA 20	44.65
SMA 50	46.23
SMA 100	47.56
SMA 200	53.27

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- U.S. crude extended gains in subdued trade today in Asian session as the dollar slipped to a three-year low, with many Asian markets closed for the Lunar New Year holiday.
- Crude for March delivery was up 17 cents, or 0.3 percent, at \$61.51 a barrel, after earlier touching a one-week high of \$61.82. For the week, the contract has risen about 4 percent after losing nearly 10 percent last week.
- London Brent crude was up 25 cents, or 0.4 percent, at \$64.58 after settling down 3 cents. Brent is up nearly 3 percent for the week after falling more than 8 percent last week.
- "Oil is getting support from a rebound in global stock markets and a weak dollar, but the upside is limited due to a projection for rising U.S. production," said Tomomichi Akuta, senior economist at Mitsubishi UFJ Research and Consulting in Tokyo.
- The market is quiet due to a slew of holidays in Asia. The dollar slipped to a three-year low against a basket of currencies. A weaker dollar often boosts prices for oil and other dollar-denominated commodities.
- Asian shares rose for a fifth straight day on Friday as investor confidence slowly returns after a sharp sell-off earlier in the month. Oil producers led by Saudi Arabia and Russia aim to draft an agreement on a long-term alliance by the end of this year, United Arab Emirates energy minister Suhail al-Mazroui said yesterday.
- OPEC and non-OPEC producers including Russia have been restraining production by a total 1.8 million barrels per day (bpd) in a bid to prop up prices under a deal that is to expire at the end of 2018. The move comes at a time when Asian demand is on the rise.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
12/08/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
12/15/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
12/12/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
12/29/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets continue to be very noisy, and a significant pullback during the trading session on Thursday should not be much of a surprise. However, volume is starting to pick up and we have bounced. Because of this, I think buyers have come in and started to pick up a bit of value. Longer-term, market players believe that the market should continue to be noisy, but economists think that overall the buyers will be attracted to it. The \$17 level above will be resistance, but I think eventually we will break out above there. Once we do, we will go looking towards the \$17.25 level. Underneath, I look at the \$16.50 level as support, and I think that there will be plenty of buying pressure if we do drift to that level. At this point, I suspect that the US dollars going to continue to suffer, and that of course should put bullish pressure on the Silver markets themselves.

Pivot:	16.91		
Support	16.66	16.55	16.45
Resistance	16.98	17.10	17.25

Source: FX EMPIRE

Highlights

- The U.S dollar slid to its lowest in two weeks on concerns about the impact of high U.S debt levels and tax cuts
- The debt level will be a major cause of inflation, because it will signal higher interest rates
- A recovery in broader risk sentiment was also seen weighing on the dollar
- Inflation fears boost metal, which is seen as a safe haven against rising prices
- Expectations that Fed will raise interest rates to fight inflation make precious metals less attractive as it is not interest-yielding

Silver - Technical Indicators

RSI 14	19.80
SMA 20	17.27
SMA 50	16.72
SMA 100	16.85
SMA 200	16.87

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Spot silver was up 0.3 percent at \$16.92 heading for their biggest weekly percentage gain, buoyed by a weaker U.S dollar and as investors looked to hedge against inflation.
- The market is starting to fall in love with inflation trades again. Precious metals could be the standout performer this year if that's the case though some wearing off can come once the seasonal buying is done.
- The dollar slipped to a three-year low against a basket of currencies on Friday, and was headed for its biggest weekly loss in two years, as bearish factors offset support the U.S. currency could take from rising Treasury yields.
- U.S producer prices accelerated in January, boosted by strong gains in the cost of gasoline and healthcare. The Labor Department said its producer price index for final demand rose 0.4 percent last month after being unchanged in December.
- In a second report, the Labor Department said initial claims for state unemployment benefits increased by 7,000 to a seasonally adjusted 230,000 for the week ended Feb. 10.
- "A combination of rising inflation, coupled with slightly weaker U.S. growth readings and a struggling dollar should continue to provide gold with an element of support," INTL FCStone analyst Edward Meir said.
- Platinum was 0.8 percent higher at \$1,008.90, after hitting its highest since Jan. 29 at \$1,009.80. Palladium was up 0.7 percent at \$1,025. The metal has gained 5 percent this week, its best since the week ended Oct. 13.
- A recovery in broader risk sentiment was also seen weighing on the dollar, which gained during this month's market turmoil. The greenback has been hit by several setbacks this year.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/08/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/15/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/12/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
12/29/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Friday, February 16, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Feb 16	02:00	USD Net Long-term TIC Flows (DEC)	Medium			\$57.5b
Fri Feb 16	03:30	AUD RBA Governor Gives Testimony to Parliamentary Committee	High			
Fri Feb 16	14:30	GBP Retail Sales Ex Auto Fuel (YoY) (JAN)	Medium		2.4%	1.3%
Fri Feb 16	18:30	USD Import Price Index (YoY) (JAN)	Low		3.0%	3.0%
Fri Feb 16	18:30	USD Export Price Index (YoY) (JAN)	Medium			2.6%
Fri Feb 16	18:30	USD Housing Starts (MoM) (JAN)	Medium		3.4%	-8.2%
Fri Feb 16	18:30	USD Building Permits (MoM) (JAN)	Medium		0.0%	-0.1%
Fri Feb 16	20:00	USD U. of Mich. Sentiment (FEB)	High		95.5	95.7
Fri Feb 16	23:00	USD Baker Hughes U.S. Rig Count (16 FEB)	Medium			975

Source: Forex Factory, DailyFX

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