

Gold

Technical

Gold markets rallied significantly during the week, capping above the \$1300 level. I believe that the market is eventually going to reach towards the \$1325 level, breaking above there, and then going much higher. If we were to break down below the \$1300 level, that is a sign that we may not be able to continue to go higher. Ultimately, the markets will remain very volatile, the gold markets reacting to the anti-US dollar sentiment. I think given enough time, we will not only reach towards the \$1400 level above, but go much higher. The uptrend line has been reliable so far, so even if we were to break down below the \$1300 level, I think there is plenty of support near the \$1250 level. In other words, I have no interest in shorting gold long-term, and I think that any weakness should be thought of as a buying opportunity, but you will need to be very patient underneath \$1300.

Pivot:	1,316		
Support	1,313	1,306	1,301
Resistance	1,322	1,326	1,330

Source: FX EMPIRE

Highlights

- Gold prices inched down today later in the session after the dollar firmed on expectations of further US interest rate hikes this year
- January is usually a good month for gold prices and should remain so
- US dollar correction, gold will likely remain firm until a March Fed hike possibility comes on the radar
- The US December non-farm payrolls report on Friday was weaker than expected
- Investors reckoned the US Federal Reserve would still raise interest rates multiple times this year

Gold - Technical Indicators

RSI 14	57.31
SMA 20	1,240.3
SMA 50	1,254.1
SMA 100	1,254.6
SMA 200	1,271.4

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices held steady on early in today's Asian trading session, below 3-1/2-month highs hit last week, amid expectations of more U.S. interest rate hikes this year.
- Spot gold was mostly unchanged at \$1,322.73 an ounce. Last week, prices touched their highest since Sept. 15 at \$1,325.86. U.S gold futures were also mostly unchanged at \$1,322 an ounce. Spot gold rose for a fourth straight week last week.
- The U.S December non-farm payrolls report on Friday was weaker than expected. The dollar dipped briefly, then rose as investors reckoned the data would not deter the U.S. Federal Reserve from raising interest rates multiple times this year, though at a gradual pace.
- Despite weaker-than-expected data, traders overall stuck to their conviction that the Federal Reserve will raise rates at least twice this year, a Reuters analysis of fed funds futures contracts traded at CME Group suggested.
- Gold is highly sensitive to rising U.S. interest rates, as these increase the opportunity cost of holding non-yielding bullion, while boosting the dollar, in which it is priced.
- China gold reserves were at 59.240 million fine troy ounces at end-Dec, unchanged vs end-Nov, the central bank said on Sunday. China's foreign exchange reserves rose to their highest in more than a year in December and grew at a faster-than-expected pace, as tight regulations and a strong yuan continued to discourage capital outflows, data showed on Sunday.
- Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.14 percent to 834.86 tonnes on Friday from 836.04 tonnes on Thursday. Hedge funds and money managers raised their net long positions in COMEX 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	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil markets rallied initially during the day but then rolled over rather significantly. By doing so, we felt to the \$61.25 level. That's an area that has offered a little bit of support, but I think given enough time it will be yet another blip on the radar. The fact that we have rallied from here is special, other than it lines up nicely with the uptrend. The \$62 level will more than likely be targeted from here, in a breakout above that level should send this market to the \$62.50 level. If we were to break above there, the market could go looking towards the \$65 handle next. Brent markets fell significantly during the course of the session on Friday, but bounced significantly from the \$67.30 level. The fact that we bounced as hard as we did suggests that we are going to continue to see a lot of buying pressure in this market, and that we are probably going to go looking towards the \$70 level.

Pivot:	61.53		
Support	61.10	60.75	60.30
Resistance	61.85	62.20	62.55

Source: FX EMPIRE

Highlights

- Oil rose after drilling activity in the U.S eased, adding to signs the global crude surplus is abating
- Crude futures rose 0.5 percent, following a 1.7 percent increase last week
- Rigs drilling for crude fell by five to 742 in the seven days ended Jan. 5, according to Baker Hughes data Friday
- Hedge funds retreated from the most bullish stance on WTI in 10 months during the week ended Jan. 2
- Oil had its strongest opening week for any year since 2013

Crude - Technical Indicators

RSI 14	54.05
SMA 20	48.33
SMA 50	47.10
SMA 100	47.26
SMA 200	50.65

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices were stable today, supported by a slight decline in the number of U.S. rigs drilling for new production, with crude holding just below near three-year highs reached last week.
- U.S. West Texas Intermediate (WTI) crude futures were at \$61.50 a barrel, 6 cents above their last settlement. Futures reached \$62.21 last week, the most since May 2015. Brent crude futures were at \$67.66 a barrel, 4 cents above their last close. Brent hit \$68.27 high last week, the highest since May 2015.
- Traders said the gains were due to a slight decline in the number of U.S. rigs drilling for new production, which eased by five in the week to Jan. 5 to 742, according to data from oil services firm Baker Hughes.
- Despite this, U.S production is expected to break through 10 million barrels per day very soon, largely thanks to soaring output from shale drillers. Only top producers Russia and Saudi Arabia produce more.
- The U.S. oil price is now into a range that is anticipated to attract increased shale oil production. Traders may decide that discretion is the better part of valor while markets wait on evidence of what happens to the rig count and production levels over the next couple of months.
- Rising U.S. production is the main factor countering production cuts led by the Middle East-dominated Organization of the Petroleum Exporting Countries (OPEC) and by Russia, which began in January last year and are set to last through 2018.
- Money managers cut their WTI net-long position -- the difference between bets on a price increase and wagers on a drop -- by 3.8 percent to 396,381 futures and options in the week ended Jan. 2, according to data from the U.S. Commodity Futures Trading Commission on Friday.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets initially drifted sideways and quiet trading, awaiting the Nonfarm Payroll announcements come out. Now that we had formed this bullish candle, it's likely that we will continue to go higher, perhaps reaching towards the \$17.50 level above. Short-term pullbacks will more than likely offer buying opportunities, and I think that we will eventually go much higher. I think the \$17 level should be an area that buyers will be attracted to based upon value, and the fact that it has offered support several times. This is basically a reaction in a "anti-dollar" theme, as precious metals have been working to the upside as the US dollar has been falling. The gap just below the \$17 level also offers a significant amount of support, so keep this in mind when trading this market. I believe that \$17 is going to be very difficult to break through to the downside.

Pivot:	17.13		
Support	17.10	17.04	16.95
Resistance	17.27	17.36	17.45

Source: FX EMPIRE

Highlights

- Silver prices inched down a bit after the dollar firmed on expectations of further U.S. interest rate hikes this year
- The U.S December non-farm payrolls report on Friday was weaker than expected well below the 190,000 forecast by economists
- The U.S economy added 148,000 jobs in December
- The dollar briefly slid to the day's lows following the report before regaining ground
- The jobs data was seen as unlikely to alter investor expectations for a rate hike by the U.S

Silver - Technical Indicators

RSI 14	78.27
SMA 20	17.25
SMA 50	17.16
SMA 100	16.79
SMA 200	16.88

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices fell today as the stronger dollar weighed after Friday's weaker-than-expected U.S jobs report did little to alter expectations for further Federal Reserve rate hikes this year.
- Prices of the precious metal were pressured lower as the dollar moved higher against a basket of the other major currencies. The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, rose 0.25% to 91.98, up from its January 2 trough of 91.47, which was the lowest level since September 20.
- The U.S. economy added 148,000 jobs in December, the Labor Department reported in Friday's trading session, well below the 190,000 forecast by economists. The dollar briefly slid to the day's lows following the report before regaining ground.
- The jobs data was seen as unlikely to alter investor expectations for a rate hike by the U.S. central bank at its March meeting. Fed officials have penciled in three rate increases this year and two in 2019.
- Gold and silver prices are highly sensitive to rising U.S. interest rates, as they increase the opportunity cost of holding non-yielding bullion, while boosting the dollar, in which it is priced.
- Recent weakness in the dollar had supported gold prices by making the dollar-denominated metal cheaper for holders of other currencies. silver was down 0.69% at \$17.16 a troy ounce, while platinum fell 0.41% to trade at \$971.20 a troy ounce.
- Physical gold and silver demand across Asia remained subdued last week as prices rallied to a three-and-a-half-month high, keeping retail buyers away from the market.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2018	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Monday, January 08, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Jan 08	12:00	EUR German Factory Orders n.s.a. (YoY) (NOV)	Medium	8.7%	7.8%	6.9%
Mon Jan 08	13:15	CHF Consumer Price Index (YoY) (DEC)	Medium	0.8%	0.8%	0.8%
Mon Jan 08	13:15	CHF CPI EU Harmonized (YoY) (DEC)	Medium	1.1%		0.8%
Mon Jan 08	13:30	GBP Halifax House Prices (MoM) (DEC)	Low	-0.6%	0.2%	0.3%
Mon Jan 08	14:30	EUR Euro-Zone Sentix Investor Confidence (JAN)	Low	32.9	31.3	31.1
Mon Jan 08	15:00	EUR Euro-Zone Consumer Confidence (DEC)	Low	0.5	0.5	0.0
Mon Jan 08	15:00	EUR Euro-Zone Retail Sales (YoY) (NOV)	Medium		2.4%	0.4%
Mon Jan 08	15:00	EUR Euro-Zone Economic Confidence (DEC)	Low	116.0	114.8	114.6
Mon Jan 08	15:00	EUR Euro-Zone Services Confidence (DEC)	Low	18.4	16.5	16.4

Source: Forex Factory, DailyFX

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