

## Gold

### Technical

Gold markets went sideways initially during the trading session on Thursday, but then reach towards the \$1325 level above, an area that offered resistance. If we can break above the top of that area, I think that the market will continue to go towards the \$1350 level, and then eventually higher than that. Ultimately, I think that short-term pullbacks offer buying opportunities, and that the \$1300 level underneath is the “floor.” I also recognize that the market is going to be highly sensitive to what goes on with the US dollar, which seems to be struggling again during the Thursday session. Longer-term, I think there is a significant amount of bearish pressure on the US dollar, and that should eventually push gold markets higher. I would be a bit careful with leverage though, because gold markets can chop around quite wildly. If we were to break down below the \$1300 level, that would be a negative sign.

Pivot:	1,327		
Support	1,321	1,316	1,312
Resistance	1,334	1,338	1,343

Source: FX EMPIRE

### Highlights

- The price of gold rose to its highest in four months in Asia trading today as the US dollar continued to weaken
- The minutes of the European Central Bank’s December meeting released yesterday were viewed by the market as hawkish
- A stronger Euro potentially boosts demand for gold by making dollar-priced bullion cheaper
- Gold has to breach the recent high of \$1,327, above which prices can touch \$1,360
- Producer prices in the United States fell for the first time in nearly 1-1/2 years in December

### Gold - Technical Indicators

RSI 14	39.50
SMA 20	1,240.7
SMA 50	1,252.8
SMA 100	1,256.3
SMA 200	1,272.0

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices rose for a third session today to hit their highest since September, with a slump in the U.S. dollar helping drive bullion towards its fifth-straight weekly gain.
- Spot gold had edged up 0.5 percent to \$1,328.84 an ounce, after earlier touching its highest since Sept. 15 at \$1,330.34. The metal is up 0.7 percent so far this week and is set for its longest run of weekly gains since a streak that finished in the week ending April 14.
- U.S. gold futures were up 0.5 percent at \$1,329 an ounce. The dollar index, which measures the greenback against six major currencies, fell to its lowest since Sept. 20 at 91.689.
- The Euro jumped against the dollar as the European Central Bank signalled it could begin to wind down its 2.5 trillion euro (\$3.01 trillion) stimulus programme this year. A stronger euro potentially boosts demand for gold by making dollar-priced bullion cheaper for European investors.
- There is a lot of doubt on how long prices have to run from here. Prices have risen despite the Federal Reserve raising interest rates and the main driver has been the U.S. dollar, which we continue to see help gold run higher in the first quarter.
- There was some strong buying out of China on Friday suggesting some physical demand ahead of Lunar New year. The greenback was also under pressure after data showed producer prices in the United States fell for the first time in nearly 1-1/2 years in December amid declining costs for services.
- Weak inflation at the producer level could add to concerns that the factors restraining inflation could become more persistent and result in the U.S. Federal Reserve being more cautious about raising interest rates this year. Higher rates could dent demand for non-interest-paying 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

Crude oil prices climbed to a fresh 3-year high following comments from OPEC that their current production deal could extend beyond 2018. Demand continues to rise as economic growth is beginning to accelerate higher. While inventories were mixed according to the latest report from the Department of Energy, production declined, while is allow prices to continue to hit higher levels. Support is seen near former resistance at 62.51. Additional resistance is seen near the 10-day moving average at 61.83. Momentum is positive as the MACD (moving average convergence divergence) histogram prints in the black with an upward sloping trajectory which points to higher prices. The RSI is also showing that momentum is accelerating. The only caveat is that the RSI is printing a reading of 78 which is above the overbought trigger level of 70 and could foreshadow a correction.

Pivot:	63.30		
Support	62.85	62.55	62.30
Resistance	64.10	64.40	64.80

Source: FX EMPIRE

### Highlights

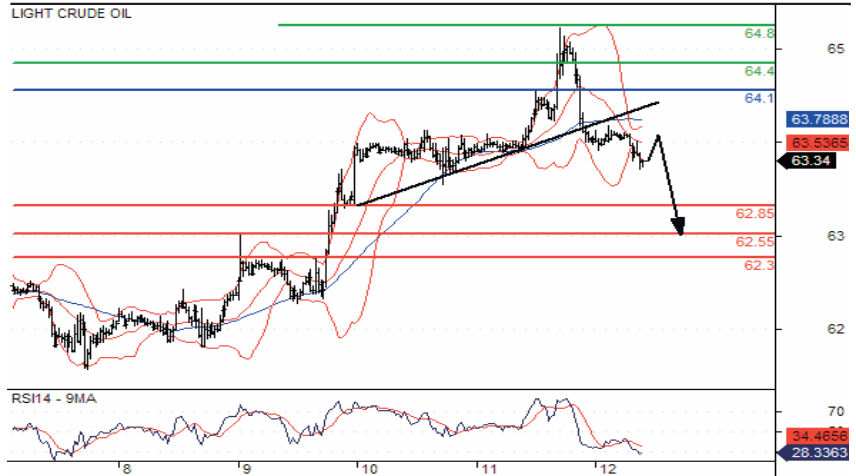
- Oil futures failed to hold the gains, selling off as the close of trading approached
- Analysts warning that the market might have little room left to run
- U.S crude finished the session up 23 cents at \$63.80, after breaking through \$64 a barrel for the first time since December 2014
- Oil prices have been supported by stronger-than-expected demand
- A rally that began in June accelerated in December, with prices rising about 15 percent over roughly the last month

### Crude - Technical Indicators

RSI 14	40.97
SMA 20	48.10
SMA 50	46.65
SMA 100	47.01
SMA 200	50.60

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices today slipped away from December-2014 highs reached the previous day. Although analysts and traders have been warning of the risks of a downward price correction since the start of the year, they point out that overall market conditions remain strong, largely due to ongoing production cuts led by the OPEC and Russia.
- U.S West Texas Intermediate (WTI) crude futures were at \$63.34 a barrel, down 46 cents, or 0.7 percent, from their last settlement. WTI the day before rose to its strongest since late 2014 at \$64.77.
- Traders said relatively weak China December oil data had weighed on prices. China's crude oil imports in December eased to 33.7 million tonnes, or 7.97 million barrels per day, versus 37.04 million tonnes in November, customs data showed today.
- Meanwhile, its December oil products exports hit a record 6.17 million tonnes, as refiners churn out more fuel than even thirsty China can absorb. This has contributed to a fall in Singapore refinery profit margins to below \$6 per barrel this month, their lowest seasonal level in five years.
- As a result, some refiners have already scaled back their output, reducing demand for feedstock crude. An expected rise in U.S crude oil production, currently at 9.5 million bpd, to above 10 million bpd soon has also weighed on prices.
- Despite the lower prices today, many analysts expect crude markets to remain firm this year, especially due to the OPEC-led production cuts. OPEC has acted successfully to reduce the inventory overhang and demand growth remains robust in the short term. The production cuts started in January last year and are set to last through 2018. U.S. commercial oil inventories fell almost 5 million barrels in the week to Jan. 5, to 419.5 million barrels.

### 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 were choppy during the trading session on Thursday, as we have gone back and forth. I think that the \$17 level continues to be rather important, as it is a large, round, psychologically significant number. If we can break above there, the market then will go to the \$17.25 level. I think that the \$16.85 level has offered a significant amount of support, and if we were to break down below there, we could probably go lower, perhaps reaching towards the \$16.50 level. This is a market that continues to be influenced heavily by the US dollar, which has been struggling as of late. I think that the market will eventually break above the \$17.25 level, and then eventually go looking towards the \$17.50 area. I believe that the volatility will continue to be an issue in this market, so be careful in trading sewer, or at the very least, take some of the leverage out of the equation.

Pivot:	17.07		
Support	16.93	16.84	16.75
Resistance	17.19	17.27	17.40

Source: FX EMPIRE

### Highlights

- Silver prices edged higher in yesterday's session as the U.S dollar took a turn lower for the week
- Precious Metals have seen biggest start to a month since the U.S presidential election in November 2016
- It's always common to see a New Year bump in new private-investors demand for gold and silver
- The ICE U.S. Dollar Index fell by 0.5% and poised for a weekly loss of around 0.1%
- The yield for the 10-year benchmark note was down 1.5 basis points to 2.542% yesterday, it's still up around 3.5% week to date

### Silver - Technical Indicators

RSI 14	87.17
SMA 20	16.70
SMA 50	16.89
SMA 100	16.71
SMA 200	16.82

Source: FX EMPIRE

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver prices traded higher in yesterday's trading session after minutes of a European Central Bank meeting showed a more aggressive tone and boosted the euro against the U.S dollar.
- The December meeting minutes said the central bank should revisit its policy message in early 2018 and gradually adjust its language to reflect improved growth prospects.
- The euro gained against the dollar after the minutes from the ECB's December meeting showed a hawkish tone. Investors would probably take a policy message change as a sign that rate-setters may begin to wind down their 2.55-trillion-euro bond-buying program.
- The Dollar weakened more broadly after U.S data showed a rise in jobless claims and a decrease in producer prices, making gold cheaper for other non-U.S. buyers.
- The U.S is set to tighten their quantitative easing, but other central banks around the world are going to play catch up. The weaker dollar has helped precious metals rally from its mid-December low, but it will struggle to rise much further in the short term.
- Several other factors were supporting gold and silver prices, including a dip in global equities following a spectacular rally, and a rise in industrial metals that will increase the cost of goods and services.
- Spot silver was up 0.1 percent in today's Asian trading session at \$16.96 an ounce from a two-week low of \$16.86 on Wednesday. Platinum was up 1.31 percent at \$983.70 an ounce after hitting \$985.10, its highest since Sept. 15. Palladium rose 0.2 percent to \$1,084.60 an ounce after touching a nine-day low of \$1,075.50.

### 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

Friday, January 12, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Jan 12	00:00	USD Monthly Budget Statement (DEC)	Medium	-\$23.2b	-\$26.0b	-\$27.3b
Fri Jan 12	04:50	JPY Trade Balance - BOP Basis (Yen) (NOV)	Medium	¥181.0b	¥314.1b	¥430.2b
Fri Jan 12	04:50	JPY Bank Lending incl Trusts (YoY) (DEC)	Medium	2.5%		2.7%
Fri Jan 12	08:03	CNY Trade Balance (DEC)	Medium	\$54.69b	\$37.44b	\$40.21b
Fri Jan 12	18:30	USD Consumer Price Index (YoY) (DEC)	High		2.1%	2.2%
Fri Jan 12	18:30	USD Consumer Price Index Ex Food and Energy (YoY) (DEC)	High		1.7%	1.7%
Fri Jan 12	18:30	USD Retail Sales Advance (MoM) (DEC)	High		0.5%	0.8%
Fri Jan 12	18:30	USD Real Avg Hourly Earning (YoY) (DEC)	Medium			0.2%
Fri Jan 12	23:00	USD Baker Hughes U.S. Rig Count (JAN 12)	Medium			924

Source: Forex Factory, DailyFX

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