

Gold

Technical

Gold markets rallied significantly on Friday, but did pull back to stall at roughly \$1334 as we rolled into the weekend. I think the market will continue to find buyers, but this of course will be highly influenced by the US Dollar Index, and of course the geopolitical situation around the world. There is a lot of tension that could flare up, but right now it looks as if the market participants are willing to step away from the marketplace, perhaps taking a bit of profit ahead of the weekend. If you can buy physical gold, that might be the best way to play what I think will eventually be a strong uptrend. If we break down below the \$1325 level, then I think the market will probably break down towards the \$1300 level. In the meantime, I think we are more than likely going to see some bullish pressure, but I would also be the first to admit that the US dollar is oversold, so that does put a bit of an anchor.

Pivot:	1,330		
Support	1,325	1,322	1,319
Resistance	1,336	1,338	1,340

Source: FX EMPIRE

Highlights

- Gold prices held steady, as a US government shutdown due to a funding impasse unnerved investors
- Spot gold fell 0.5% last week, its first weekly decline in six weeks
- The Dollar index, which measures the greenback against a basket of currencies, fell as much as 0.5% to 90.155
- Funding for federal agencies ran out at midnight on Friday
- Republican and Democratic leaders of the US Senate held talks on Sunday

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 nudged higher today as the dollar wallowed near three-year lows following a U.S. government shutdown, although bullishness in the wider financial markets capped the precious metal's gains.
- World stocks shrugged off the shutdown in Washington, with investors seemingly confident the conflict between President Donald Trump and Democrats can be resolved swiftly.
- We did see gold reach four-month highs last week on fears an agreement wouldn't be reached and indeed that came to pass. The fact that gold is a bit soft this morning suggests it was largely in the price.
- Spot gold edged up 0.1 percent to \$1,332.81 an ounce. The precious metal fell 0.5 percent last week, its first weekly decline in six weeks, having hit four-month highs last Monday.
- U.S gold futures were flat at \$1,332.90. Keeping a lid on gold's gains, U.S Treasury yields rose as investors saw limited economic fallout from the standoff in Washington and instead focused on a global economy motoring ahead.
- Rising yields tend to weigh on gold by increasing the opportunity cost of holding non-yielding bullion. They also tend to boost the dollar, making dollar-priced gold costlier for non-U.S. investors.
- The U.S government shutdown entered its third day on Monday, with the senate set to vote on advancing a measure to provide temporary government funding through Feb. 8 and end the shutdown.
- While the dollar is unlikely to return to its peak, we still see upside from current levels as accelerating growth should be accompanied by rising interest rates in the United States. This should weigh on gold over the coming months. Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose over 2 percent last week.

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 market fell during the session on Friday, but found a bit of support at the \$63 level. That's not a huge surprise, as you read yesterday I thought that could be an area where the buyers might make a bit of the stand. If we can break down below the lows of the Friday session though, I think the market goes down to the \$62 level. Otherwise we could bounce from there and reach towards the \$64.25 level. I think we are bit overextended, so it makes sense that we may need to pull back looking for buying opportunities. Brent markets gapped at the open to the downside, clearing an uptrend line, falling significantly, reaching towards the uptrend line again, and then falling again. I think that we will probably break down towards the \$60 level, and if we can break down below there, the market should then go down to the \$67 level.

Pivot:	63.57		
Support	63.05	62.85	62.55
Resistance	63.75	64.10	64.30

Source: FX EMPIRE

Highlights

- Crude steadied after Saudi Arabia and Russia pledged to continue supply cuts
- Output limits should remain through 2018 as rebalancing may be achieved next year, Saudi Arabia's Energy Minister said
- Russia is prepared to cooperate with OPEC after the current curbs expire
- WTI for February delivery was up 10 cents to \$63.47 a barrel on the New York Mercantile Exchange
- OPEC and its allies see merit in maintaining their output limits into 2019

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

- Crude futures edged higher today, propped up by comments from Saudi Arabia that cooperation between oil producers who have cut production to boost prices would continue beyond 2018.
- Strong global economic growth coupled with a drop in U.S. drilling activity and the dollar also supported crude, traders said, while additional Libyan output capped further gains.
- Brent crude futures were at \$68.69 a barrel, up 8 cents from their last close. Brent on Jan. 15 rose to \$70.37, its highest since December 2014. U.S. West Texas Intermediate (WTI) crude futures were at \$63.50 a barrel, up 13 cents. WTI climbed to \$64.89 on Jan. 16, also its highest since December 2014.
- A weak dollar and the weekend JMMC (oil producers meeting) are supporting prices but the restart of As-Sarah in Libya is serving as a brake on the rally. Production at Wintershall's As-Sarah concession in eastern Libya resumed on Sunday and was expected to add 55,000 bpd by Monday. Libya's oil production has been fluctuating around 1 million bpd.
- Saudi Arabia, the world's top oil exporter and de-facto leader of the Organization of the Petroleum Exporting Countries, said on Sunday major oil producers agreed that they should continue cooperating on production after their deal on supply cuts expires this year.
- "There is a readiness to continue cooperation beyond 2018 ... The mechanism hasn't been determined yet, but there is a consensus to continue," Saudi Energy Minister Khalid al-Falih said in Oman.
- U.S. drillers cut five oil rigs in the week to Jan. 19, bringing the count down to 747, energy services firm Baker Hughes said on Friday. Despite this, the rig count in 2017 and early this year remains much higher than in 2016, resulting in a 16 percent rise in U.S. production since mid-2016, to 9.75 million 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	
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 fell after initially trying to rally during the day on Friday, and settled near the \$17 level. The market looks very likely to continue to be noisy around this area, and because of this I think that short-term Silver traders are going to have to be thinking of scalps more than anything else. Currently, looks as if the \$17.10 level is offering short-term resistance, while the \$16.90 level is offering support. Because of that, it looks to me as if scalping back and forth is probably about as good as it gets. Pay attention to the US dollar, specifically the US Dollar Index, as if it starts to fall again, that will give us a bit of a boost in the silver market. The US dollar is starting to strengthen a bit, and that may put a bit of a damper on silver in the short term. However, longer-term it certainly looks as if the US dollar has a lot of issues. Futures markets can be far too volatile to be trading right now.

Pivot:	16.98		
Support	16.88	16.77	16.68
Resistance	17.13	17.20	17.29

Source: FX EMPIRE

Highlights

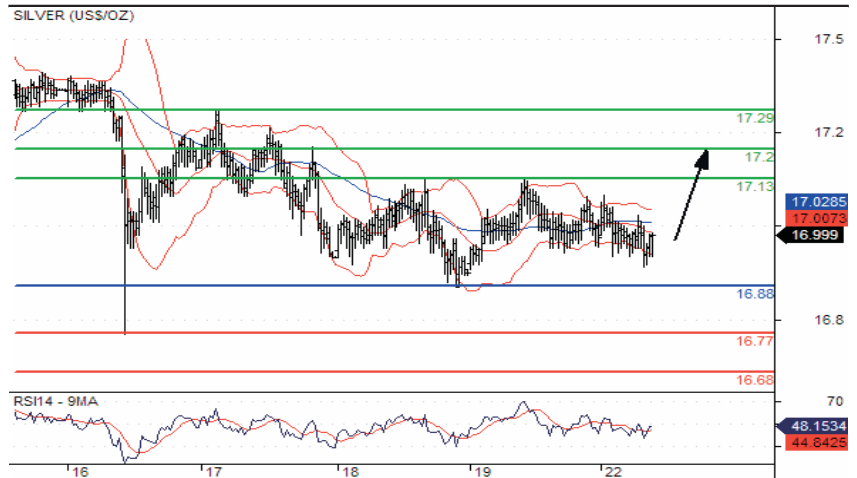
- Spot silver was down 0.2 percent today in Asian session at \$16.97
- The dollar wallowed near three-year lows following a U.S government shutdown
- Bullishness in the wider financial markets capped the precious metal's gains
- Investors seemingly confident the conflict between President Donald Trump and Democrats can be resolved swiftly
- Keeping a lid on silver's gains, U.S Treasury yields rose as investors saw limited economic fallout from the standoff in Washington

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 edged up in its initial reaction to the U.S government shutdown as Asian markets opened today. Markets were digesting the latest headlines as U.S. Republican and Democratic Senators were holding talks on Sunday to break the political stalemate.
- The Senate is scheduled to vote on the proposed bill to extend government funding through February 8 on Monday, said Senate Republican leader Mitch McConnell.
- The U.S. federal government was forced into shutdown at midnight on Friday after federal funding was not extended due to differences on immigration issues between Republicans and Democrats.
- "I wouldn't rule out anything now, positive or negative. But I think it's going to be positive," Senator Johnny Isakson said. The new deal on the table reportedly includes a promise by the Republican Party to look at Democrats' immigration concerns in the next few weeks, Reuters reported.
- "We're going to open the government and solve immigration at the same time," said Republican Senator Lindsey Graham. In the meantime, the U.S. dollar index continued to trade near three-year lows, last seen at 90.51, down 0.18% on the day.
- Majority of analysts interviewed by Kitco News estimate for gold to climb next week. We are getting into a silly season in America, where we could be having a government shutdown, which will hurt the U.S. dollar and support gold.
- But, according to historical statistics, gold bulls should not get too excited, as gold prices have a tendency to go down during government shutdowns. Kitco's latest feature on the topic shows that during the last three shutdowns, gold has actually lost ground. If the government shutdown continues, American citizens can expect the closure of all "nonessential services."

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 22, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Jan 22	08:38	JPY Tokyo Condominium Sales (YoY) (DEC)	Low	-7.5%		24.6%
Mon Jan 22	12:00	JPY Convenience Store Sales (YoY) (DEC)	Low	-0.3%		-0.3%
Mon Jan 22	13:00	CHF Money Supply M3 (YoY) (DEC)	Low	+3.2%		4.4%
Mon Jan 22	14:00	CHF Domestic Sight Deposits CHF (JAN 19)	Low	468.9b		473.9b
Mon Jan 22	18:30	CAD Wholesale Trade Sales (MoM) (NOV)	Low		1.0%	1.5%
Mon Jan 22	18:30	USD Chicago Fed Nat Activity Index (DEC)	Low		0.25	0.15
Mon Jan 22	21:30	USD U.S. to Sell USD48 Bln 3-Month Bills	Low			
Mon Jan 22	21:30	USD U.S. to Sell USD42 Bln 6-Month Bills	Low			
Mon Jan 22	02:30	NZD Performance Services Index (DEC)	Medium			56.4

Source: Forex Factory, DailyFX

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