

Gold

Technical

Based on Friday's close at \$1255.80, the direction of the August Comex Gold market today is likely to be determined by trader reaction to the 50% level at \$1256.60. Gold futures are trading steady early today. Investors will be taking their cues from the movement of Treasury yields and the U.S Dollar. Lower yields should help make the dollar a less-desirable investment while driving up demand for dollar-denominated gold. The price action the first two days of the week should tell us if last week's daily/weekly closing price reversal bottom chart pattern was real or just a few investors taking advantage of the below-average volume trading conditions. The main trend is down according to the daily swing chart, however, momentum shifted to the upside with the formation of the closing price reversal bottom on July 3 and the subsequent confirmation on July 5.

Pivot:	1,260		
Support	1,255	1,253	1,250
Resistance	1,265	1,267	1,270

Source: FX EMPIRE

Highlights

- Gold prices gained today on a softer dollar and threat of a full-blown trade war
- A weak US dollar tends to lift gold, making the greenback-priced metal cheaper for non-US investors
- A weak U.S dollar makes greenback-denominated gold cheaper for holders of other currencies
- The data showed average U.S hourly earnings gained five cents, or 0.2% in June after increasing 0.3% in May
- Nonfarm payrolls rise by a stronger-than-expected 213,000 in June

Gold - Technical Indicators

RSI 14	70.21
SMA 20	1,260.3
SMA 50	1,259.1
SMA 100	1,258.9
SMA 200	1,257.5

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices inched up early today as the dollar hovered close to a 3-1/2-week low after U.S jobs data showed an increase in the unemployment rate and slower wage growth. Spot gold was 0.4 percent higher at \$1,258.61 an ounce, while U.S gold futures for August delivery were up 0.3 percent at \$1,259.90 an ounce.
- Investors are extremely cautious when it comes to gold. The intraday price-action has a bullish set-up and shows that the price has potential to test the level of \$1US,280 in the coming days if the dollar weakness continues.
- The dollar index, which measures the greenback against a basket of six major currencies, slipped to a 3-1/2-week low after U.S jobs data showed slower-than-expected wage growth.
- The U.S economy created more jobs than expected in June, but steady wage gains pointed to moderate inflation pressures that should keep the Federal Reserve on a path of gradual interest rate increases this year.
- The United States and China exchanged the first salvos in what could become a protracted trade war on Friday, slapping tariffs on \$34 billion worth of each others' goods and giving no sign of willingness to start talks aimed at a reaching a truce.
- Brexit Secretary Davis resigned because he was not willing to be "a reluctant conscript" to Prime Minister Theresa May's plans to leave the EU, delivering a blow to a British leader struggling to end divisions among her ministers.
- Some short-covering has likely ensued given certainties over the U.S-Sino trade tensions on Friday. Still, the uptick in risk appetite into the week may be short-lived if more trade tariff threats are seen into the week ahead.

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

Based on the early price action and the current price at \$74.14, the direction of the August WTI Crude Oil futures contract today is likely to be determined by trader reaction to the 50% level at \$73.71. U.S West Texas Intermediate crude oil futures are trading higher early today, driven to the upside by Friday's late session surge. Prices are being supported by concerns over support, but another reported jump in the drilling rig count may be helping to limit gains. According to Baker Hughes, last week's oil drilling rig count, an indicator of future production, rose by 5 rigs to a total of 863. The main trend is up according to the daily swing chart, however, momentum may be trying to shift to the downside. A trade through \$75.27 will signal a resumption of the uptrend. This move will turn \$72.14 into a new main bottom. It turned down on Friday when sellers took out the previous minor bottom at \$72.51.

Pivot:	73.92		
Support	73.60	73.30	72.80
Resistance	74.46	74.80	75.25

Source: FX EMPIRE

Highlights

- Oil prices steadied today as an increase in U.S drilling, likely to lead to higher shale production
- Oil demand has been rising fast this year and supply from several parts of the world, including Venezuela and Libya, has been falling
- Inventories at Cushing, the delivery point for U.S crude futures, fell to their lowest in 3-1/2 years
- Oil prices will be weighed down by a trade conflict between the United States and China have faded to some extent
- Investors are also focusing on how much exports from Saudi Arabia and other Gulf states will rise

Crude - Technical Indicators

RSI 14	37.55
SMA 20	70.29
SMA 50	70.33
SMA 100	70.49
SMA 200	70.64

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices rose today after data last week showed U.S crude inventories fell to their lowest in three years. Trade dispute between the U.S and China remained in focus.
- Crude Oil WTI Futures for August delivery were trading at \$74.08 a barrel, up 0.38%. Brent Oil Futures for September delivery, traded in London, were also up 0.47% at \$77.48 per barrel.
- Official data showed on Thursday that inventories at Cushing, the delivery point for U.S crude futures, fell to their lowest in 3-1/2 years. Cushing is clearly screaming out for crude, with the prompt few months more than \$2 backwardated.
- The Organization of the Petroleum Exporting Countries (OPEC) and other countries agreed earlier this month to a moderate boost in output. Trump's order to OPEC members to increase production is a great insult to those governments and nations, and destabilises the market.
- Meanwhile, investors remain cautious over the trade conflict between the U.S and China, although analysts said concerns that oil prices would be weighted down by the development have faded somewhat.
- The U.S tariffs on \$34 billion worth of Chinese goods came into effect on Friday. Trump told reporters that another \$16 billion are expected to go into effect in two weeks, and that he is considering to impose additional tariffs on \$500 billion in Chinese goods if Beijing retaliate.
- In response, China followed up by imposing duties on the same value of U.S products. China's Ministry of Commerce said it had no choice but to respond to the U.S after the latter "launched the largest trade war in economic history.

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 have fallen during most of the week but bounce of the for a bit of a hammer as it meander around the \$16 level. This is a very positive turn of events, because \$16 was an area that was targeted for support. Beyond that, the US dollar looks as if it is getting ready to lose value again several other currencies around the world, so it would make sense that Silver turned around and rallies. Also, Gold markets look as if they are supported and it looks likely that it will continue to see precious metals make a bit of a recovery, so course silver will come along for the ride. As for an upward target, it anticipate that \$17 will be targeted, maybe followed by \$17.50. At this point, this is a market that will continue to be range bound more than anything else, and perhaps the domain of short-term investors. If it were to break down from here, there's even more support at the \$15.50 level.

Pivot:	16.15		
Support	16.03	15.94	15.86
Resistance	16.25	16.32	16.40

Source: FX EMPIRE

Highlights

- Silver prices inched up 0.7 percent at \$16.11 an ounce
- Silver futures settled down 0.17% at \$16.07 a troy ounce, for a weekly decline of 0.76%
- Dollar-denominated assets such as silver are sensitive to moves in the dollar
- A fall in the dollar makes silver cheaper for holders of foreign currency and increases demand for the precious metal
- The softer average earnings indicator is likely to catch more attention as it highlights a still tame wage inflation environment

Silver - Technical Indicators

RSI 14	53.61
SMA 20	16.29
SMA 50	16.28
SMA 100	16.28
SMA 200	16.25

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Precious metal silver were traded higher in the late morning deals today. MCX Silver futures were up 0.46 percent. Prices to trade higher for the day, as the dollar hovered close to a 3-1/2-week low after US jobs data showed an increase in the unemployment rate and slower wage growth.
- Expectations for higher rates tend to be bearish for silver, which struggles to compete with yield-bearing assets when rates rise, while a stronger U.S currency makes silver and other dollar-denominated commodities more expensive for foreign investors.
- Last week's U.S inflation report on Thursday will be in the spotlight as a strong reading could bolster the case for the Federal Reserve to stick to a gradual pace of rate hikes this year, which is typically bearish for silver. Market participants appeared to take profits on their bearish bets on metal prices.
- The dollar slid lower against a currency basket on Friday after data showing that while the U.S economy created more jobs than expected in June, wage growth rose at a slower than expected pace and the unemployment rate ticked higher.
- The U.S dollar index, which measures the greenback's strength against a basket of six major currencies, was down 0.39% to 93.76 late Friday. For the week, the dollar was down 0.61%.
- The dollar had already come under pressure earlier in the day after the U.S and China imposed tariffs on each other's imports, escalating a trade spat that many investors fear will hit global growth.
- Prices have slumped despite escalating trade tensions and uncertainty over the outlook for global growth as a stronger dollar and higher interest rates have negated any boost from safe haven demand.

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

Monday, July 09, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon July 09	05:30	JPY Kuroda speaks at Branch Managers' Meeting	High			
Mon July 09	10:45	CHF Unemployment Rate (JUN)	Medium	2.4%	2.3%	2.4%
Mon July 09	11:00	EUR German Trade Balance (MAY)	Medium	20.3b	20.0b	19.0b
Mon July 09	18:00	EUR ECB's Draghi Speaks to European Parliament in Brussels	High			
Mon July 09	18:00	MXN CPI Core (MoM) (JUN)	Medium		0.2%	0.26%
Mon July 09	18:00	MXN Consumer Price Index (YoY) (JUN)	High		4.59%	4.51%
Mon July 09	18:00	MXN Bi-Weekly Core CPI (JUN 30)	Medium		0.09%	0.08%
Mon July 09	18:00	MXN Bi-Weekly CPI (YoY) (JUN 30)	Medium		4.64%	4.54%
Mon July 09	20:30	USD U.S. to Sell USD42 Bln 6-Month Bills	Low			

Source: Forex Factory, DailyFX

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