

Gold

Technical

Gold markets rallied slightly yesterday after initially dipping, showing signs of life. The \$1250 level is an area of extreme interest, so it's likely that the market will continue to see a lot of volatility in this area, and it could see sellers coming back in rather soon. Ultimately, the market will eventually go looking towards the \$1265 level, but it needs the US dollar to drop in order to see that. Otherwise, it continues to go back and forth, and there is a bit of range bound trading overall, at least in the short term. The \$1200 level for me is the "basement" of the market. Economists think that it's possible it goes down to that level, especially if it continues to see overall strength in the US dollar. Otherwise, the \$1300 level could be a longer-term target. It anticipates a lot of volatility in this area, and short-term investors will continue to bounce around this overall region.

Pivot:	1,245		
Support	1,241	1,239	1,237
Resistance	1,248	1,250	1,253

Source: FX EMPIRE

Highlights

- Dollar and higher U.S. rates reduce demand for non-interest bearing gold as the metal becomes more expensive for holders of other currencies
- Gold edged higher yesterday as the dollar eased off a six-month high against the Japanese yen
- If the dollar weakens, dollar-priced gold would be cheaper for non-U.S. investors
- The gold market is lacking direction and very technical in its characteristics
- Gold will remain under pressure as the technicals don't look good, while the dollar has been a prime mover of gold prices

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 were muted today, stuck in a tight trading range, as the dollar extended rally from the previous session when strong U.S. inflation data and trade war concerns boosted demand for the greenback.
- Spot gold was down 0.1 percent at \$1,245.54 an ounce. For the week, the metal was down 0.7 percent. U.S. gold futures for August delivery slipped 0.1 percent to \$1,245.50 an ounce. During times of uncertainty gold prices can receive a boost as the metal is widely considered a safe-haven asset but bullion has failed to benefit from recent trade disputes.
- The dollar has been a prime mover of gold prices. Market sentiments have been largely positive on the greenback as investors pivoted from the safe haven asset despite rising geopolitical risks.
- The dollar was buoyant near a 10-day peak versus a basket of currencies, supported by Treasury yields that edged higher on expectations the U.S. inflation rate will rise.
- U.S. consumer price data showed a steady buildup of inflation that could keep the Federal Reserve on a path of gradual interest rate increases. The trade war issue is still creating a lot of uncertainty.
- A stronger dollar and higher U.S. rates reduce demand for non-interest bearing gold as the metal becomes more expensive for holders of other currencies. Elsewhere, the European Central Bank will keep rates at a record low for as long as needed to raise inflation, minutes of the bank's latest meeting showed.
- Meanwhile, Most Asian share markets rose today, but China's markets wobbled as investors braced for the impact of broadening, tit-for-tat Chinese-U.S. tariffs. If the situation continues and not seeing any real movements in gold prices because of it.

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 has stabilized a bit during the trading session yesterday as the \$70 level has offered a bit of psychological support. However, it would point out that beyond psychological support, there's nothing on the chart that should hold a lot of faith in this level. It could obviously bounce, but after seeing the brutality of the selloff during the day on Wednesday. Brent markets tried to rally during the trading session yesterday but found enough resistance at the \$75 level to turn things around the start selling off again. This market was especially hard-hit during the day on Wednesday, as attested a major uptrend line. If this market breaks down, it should look to short the WTI Crude Oil market immediately, especially if the uptrend line gets broken. It's not that it can't short Brent, it's just that WTI will need to play catch-up, offering a better opportunity.

Pivot:	70.38		
Support	69.85	69.20	68.70
Resistance	70.75	71.20	71.80

Source: FX EMPIRE

Highlights

- Oil prices fell today as markets digested big swings earlier in the week that have left major benchmarks facing a second weekly loss
- Saudi Arabia increased production by 430,000 barrels a day in June
- It has been a wild week for oil prices as investors focused on the return of Libyan oil to the market amid concerns about a China-U.S trade war
- In June, Iran's crude exports fell back by about 230,000 barrels a day
- Prices also slid that a U.S-China trade dispute could hit global economic growth

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 fell more than 1 percent today, set for a second straight week of decline as Libyan ports reopen and amid hopes that Iran will still export some crude despite U.S sanctions.
- Brent crude was down \$1, or 1.3 percent, at \$73.45 a barrel, heading for a weekly fall of around 4 percent. U.S benchmark West Texas Intermediate crude lost 22 cents to \$70.11, set for a weekly decline of around 5 percent.
- Oil approached \$80 in June and early July due to Libyan and Venezuelan supply disruptions and fears the United States would press all buyers of Iranian oil to cut imports to zero from November.
- Prices weakened in recent days as OPEC member Libya reopened its ports in the east and U.S Secretary of State Mike Pompeo said Washington would consider granting waivers to some of Iran's crude buyers.
- The oil market could not escape the mounting trade tensions and souring sentiment in financial markets, the sell-off was more about signs of rising supplies. China's crude oil imports fell for a second month in a row in June as shrinking margins and volatile oil prices led some independent refiners, known as "teapots", to scale back purchases.
- If Iran was blocked from the market, oil prices would rise toward \$90 per barrel, which would cause significant fuel inflation, weigh on consumer and business sentiment and eventually hurt the economy.
- Rising production from Middle East Gulf countries and Russia, welcome though it is, comes at the expense of the world's spare capacity cushion, which might be stretched to the limit.

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 bounced slightly during the trading session yesterday, as the \$15.75 level has offered a bit of support. This is the same area that had offered demand for silver last week, so it now looks as if it is seeing a bit of “market memory” attached to this market place. Ultimately this is a marketplace that should continue to find a lot of resistance at the \$16.15 level as well, an area that it has sold off from previously. If it break above that level, then the market is free to go to the \$16.50 level. Silver markets continue to be very noisy, but that’s nothing new to anyone who has been trading silver for more than about five minutes. Economists believe that the market will ultimately turn around and go higher, especially starting at the \$15.50 level. However, as market participants watch the headlines, the US dollar will move in this market should move in the opposite direction overall.

Pivot:	15.91		
Support	15.85	15.79	15.74
Resistance	15.97	16.01	16.05

Source: FX EMPIRE

Highlights

- Silver declined 1.4 percent at \$15.97 an ounce. Earlier in the session it fell to its lowest since mid-December at \$15.72 an ounce
- Silver prices fell to a 12-month low overnight, before bouncing
- July Comex silver was last up \$0.193 at \$16.01 an ounce
- The U.S dollar index is near steady, but the greenback bulls have regained some momentum late this week
- The European Commission projected the Euro zone inflation rate at 1.7% in 2018 and in 2019

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

- Silver prices are firmer in early-afternoon U.S dealings yesterday. Some short covering in the futures market is featured, following recent selling pressure. Still, buying interest remains squelched by a solid rally in world stock markets today and a generally “risk-on” trading mentality in the marketplace recently.
- Silver futures titled lower in Asian trade while the dollar index eked out gains, following earlier data from China, the world's largest metals consumer, and ahead of important US data later today.
- Silver futures due on September 15 slipped 0.11% to \$15.96 an ounce from the opening of \$15.98, while the dollar index rose 0.11% to 94.93 from the opening of 94.83.
- Release of the June U.S consumer price index report came in a up 0.1% versus the forecast of being up 0.2% from May. On an annualized basis, the CPI was up 2.9%, which is the highest level in six years. Still, by the lack of reaction in the markets, these numbers are not (yet) deemed problematic for inflation.
- Earlier Chinese data showed the trade surplus up to 262 billion yuan, or \$41.6 billion, from 157 billion yuan, or \$24.9 billion in May, beating expectations of 188 billion yuan, or \$27.2 billion, as exports outpaced imports in growth last month.
- Now markets await US data on import prices, expected to have slowed down to 0.1% from 0.6% in May, while expected to have risen 4.7% on a yearly basis, up from 4.3%.
- Finally, Federal Reserve Chair Jerome Powell will testify before the Senate Committee on Banking, Housing, and Urban Affairs and to the House Committee on Financial Services later today, while presenting the Fed Monetary Policy Report.

US Commodity Futures Trading Commission (CFTC) Data

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	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, July 13, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri July 13	08:03	CNY Trade Balance CNY (JUN)	Medium	261.88b	187.00b	156.51b
Fri July 13	09:30	JPY Industrial Production (YoY) (MAY F)	Medium	4.2%		4.2%
Fri July 13	11:00	EUR German Wholesale Price Index (MoM) (JUN)	Low	0.5%		0.8%
Fri July 13	17:30	USD Import Price Index ex Petroleum (MoM) (JUN)	Medium		0.3%	0.1%
Fri July 13	17:30	USD Export Price Index (YoY) (JUN)	Medium			4.9%
Fri July 13	18:00	CAD Existing Home Sales (MoM) (JUN)	Medium		1.5%	-0.1%
Fri July 13	19:00	USD U. of Mich. Sentiment (JUL P)	High		98.0	98.2
Fri July 13	20:00	USD Fed Releases Monetary Policy Report to Congress	High			
Fri July 13	22:00	USD Baker Hughes U.S. Rig Count (JUL 13)	Medium			1052

Source: Forex Factory, DailyFX

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