

Gold

Technical

Gold futures posted a volatile two-sided trade last week before closing lower. Buyers drove the precious metal higher in reaction to the previous week's potentially bullish closing price reversal bottom chart pattern and concerns that weaker average hourly earnings reported in the July 6 U.S Non-Farm Payrolls report could discourage the Fed from raising interest rates two more times this year. The Greenback was driven higher by strong U.S producer and consumer inflation data which supported the Fed's plan to raise interest rates at least two more times before the end of the year. The main trend is down according to the weekly swing chart. Taking out \$1238.80 last week signal a resumption of the downtrend. This puts the gold market in a position to challenge a pair of main bottoms at \$1230.70 and \$1228.20. The new minor trend top drops down from \$1313.00 to \$1266.90.

Pivot:	1,243		
Support	1,239	1,236	1,233
Resistance	1,246	1,248	1,251

Source: FX EMPIRE

Highlights

- Gold prices nudged higher in early trade today amid a softer U.S dollar and slightly weaker Asian shares
- A weaker dollar makes greenback denominated gold cheaper for holders of other currencies
- The dollar traded below a 10-day peak, hit in the previous session
- Hedge funds and money managers cut their net long position in COMEX gold contracts to a 2-1/2-year low in the week to July 10
- The precious metal was under pressure in recent weeks by investors' favour of the dollar over gold

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 recovered from a seven-month low today, after sluggish GDP data from China weighed on Asian stocks and as the dollar traded below its recent highs. Technically gold was under pressure and would still be sold on rallies toward \$1,250.
- Spot gold was up 0.2 percent at \$1,243.36 an ounce, after marking the lowest since Dec. 12 at \$1,236.58 on Friday. Spot gold may break a support at \$1,237 per ounce and fall to the next support at \$1,226. U.S gold futures for August delivery were 0.2 percent higher at \$1,243.40 an ounce.
- The dollar seesawed versus the Chinese yuan even as official data showed China's GDP slowed in the second quarter as expected. Against a basket of six major currencies, the greenback traded below a 10-day peak.
- Asian shares were lower after data pointed to slowing growth in the world's second-largest economy, and as investors remained cautious over the impact of the heated Sino-U.S trade war. Meanwhile, investors are looking to June U.S retail sales data, due later in the day, to assess the state of global growth.
- Gold prices, which can gain in times of political uncertainty, have failed to benefit from the ongoing trade dispute. Higher U.S rates tend to boost the greenback and push bond yields up, weighing on non-interest bearing gold.
- It remains disappointed by the way gold has been trading of late and does not see much upside potential here, but rather a steady grind lower given the relative strength in the dollar and fairly buoyant U.S equity markets.
- The Federal Reserve on Friday pointed to "solid" U.S economic growth during the first half of the year in its semi-annual report to Congress, where it also reiterated that it expected to continue to raise interest rates gradually.

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 initially tried to rally during the week but found enough resistance at the \$75 level to turn around and fall significantly. It broke down from there to reach towards the \$70 level underneath, which has offered temporary support. Because of this, it would not be surprised at all to see the market drift a bit lower towards the uptrend line. The alternate scenario of course is that it turn around and break above the \$75 level, allowing the market to go to much higher levels. With the Libyans open up the ports, this throws more supply into the marketplace, and of course if it continue to see a historically strong US dollar, that could continue to put bearish pressure on this market as well. Brent markets tried to rally initially during the week but found enough resistance near \$80 level to turn around. It broke down significantly through there and below the \$75 level.

Pivot:	70.58		
Support	70.30	69.85	69.20
Resistance	71.20	71.65	72.55

Source: FX EMPIRE

Highlights

- The oil market managed to recover some of the lost ground towards the end of last week
- Russia and other oil producers may raise output by 1 million barrels per day
- Global supply remained tight with investors wary over the impact of production losses in several exporting countries
- Production at Libya's giant Sharara oilfield was expected to fall by at least 160,000 barrels per day
- Support is being provided to oil prices by supply shortages in Libya and Canada

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 today as concerns about supply disruptions eased and Libyan ports resumed export activities, while investors eyed potential supply increases by Russia and other oil producers.
- Brent crude futures were down 66 cents, or 0.9 percent, at \$74.67 a barrel. U.S West Texas Intermediate (WTI) crude was down 57 cents, or 0.8 percent, at \$70.43 a barrel.
- Supply outages in Libya and strike action in Norway and Iraq pushed oil prices higher late last week, although prices still ended down for a second straight week.
- Crude oil prices fell as fears of supply disruptions eased. News that Libya's state oil producer had restarted output from a major oil field ignited the selloff earlier in the week.
- The market focus shifted toward possible supply increases, even as a Norwegian union for workers on offshore oil and gas drilling rigs stepped up a six-day strike. The U.S is considering to rein in prices by tapping into its emergency crude supplies were also cited as headwind for oil prices.
- There are mixed supply signals and the Brent price is likely to be in the low-to-mid \$70s range. A summit between U.S President Trump and Russian President Putin is also being watched in case they say something about oil.
- Russia and other major oil producers may increase output further should supply shortages hit the global oil market. The United States holds a reserve of about 660 million barrels, and the Trump administration was considering drawing on the country's oil reserve, which would increase supply.

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 initially tried to rally during the week but found the area above the \$16 level to be a bit too expensive. It looks likely to go towards the \$15.50 level, this is an area that has had a massive amount of demand attached to it. If it were to break down below that level, it's very likely that it could go to the \$15 level where more buyers would wait. The market should eventually turn around, as this is an area of major demand, but it will have to see how the US dollar behaves overall in the meantime. The attitude of market participants continues to be one of apathy, at least on the short-term charts. Longer-term though, there are a lot of value hunters in this area looking to pick up silver for investments. After all, there are a lot of concerns when it comes to debt around the world, and of course it could be a shock to the system which of course makes precious metals attractive.

Pivot:	15.86		
Support	15.75	15.66	15.58
Resistance	15.93	15.99	16.05

Source: FX EMPIRE

Highlights

- Silver was nearly unchanged at \$15.85 an ounce, after hitting a seven-month low at \$15.67 in the previous session
- The strong dollar looks likely to remain a significant headwind for silver
- Silver prices have failed to garner any support despite growing risk aversion
- Silver prices slid to seven-month lows as the US dollar rose to a two-week peak
- Demand for the precious metals also waned on expectations of higher US interest rates. White metal is heading for a 1.2 percent weekly drop

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 futures tumbled higher in Asian trade while the dollar index traded flat, following earlier data from China, the world's largest metals consumer, and ahead of important US data on retail sales and manufacturing.
- Silver futures due on September 15 rose 0.25% to \$15.86 an ounce from the opening of \$15.82, while the dollar index added 0.03% to 94.70 from the opening of 94.68. The U.S. currency has also been boosted as rising trade tensions fueled safe haven demand for the dollar and acted as a drag on other currencies.
- Earlier Chinese data showed second quarter GDP growth up to 1.8% from 1.4% in the first quarter, beating estimates of 1.5%, while slowing down to 6.7% on a yearly basis as expected from 6.8%.
- Chinese unemployment rates settled at 4.8% with no change from May, while retail sales rose 9.0% y/y, up from 8.5% and beating forecasts of 8.8%, as industrial output rose 6.0%, slowing down from 6.8%, and missing estimates of 6.5%.
- Now markets await US retail sales data, expected to have risen 0.4%, slowing down from 0.8% in May, while core sales are expected to have slowed down as well to 0.4% from 0.8%.
- The Empire State Manufacturing Index is expected to have fallen to 20.3 from 25 in June, while wholesale inventories are estimated with 0.3% growth in May, adding to a 0.4% increase in April.
- Federal Reserve Chair Jerome Powell will start testifying Tuesday on the Semiannual Monetary Policy Report before the Senate Banking Committee, in Washington DC, with investors looking for clues on future monetary policies and plans for interest rates.

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 16, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon July 16	07:00	CNY Gross Domestic Product s.a. (QoQ) (2Q)	High	1.8%	1.6%	1.4%
Mon July 16	07:00	CNY Industrial Production (YoY) (JUN)	Medium	6.0%	6.5%	6.8%
Mon July 16	14:00	EUR Euro-Zone Trade Balance s.a. (MAY)	Low	16.9b	18.6b	18.0b
Mon July 16	17:30	USD Empire Manufacturing (JUL)	Low		21	25
Mon July 16	17:30	USD Retail Sales Advance (MoM) (JUN)	High		0.5%	0.8%
Mon July 16	17:30	USD Retail Sales Ex Auto and Gas (JUN)	Medium		0.4%	0.8%
Mon July 16	17:30	USD Retail Sales Control Group (JUN)	Medium		0.4%	0.5%
Mon July 16	18:00	CAD Existing Home Sales (MoM) (JUN)	Medium		1.7%	-0.1%
Mon July 16	19:00	USD Business Inventories (MAY)	Medium		0.4%	0.3%

Source: Forex Factory, DailyFX

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