

## Gold

### Technical

The Gold markets have drifted lower during the trading session yesterday, testing the \$1222 level. It bounced from there to reach towards the \$1225 level after that, which is an area that has been supported and resistance occasionally on longer-term charts. The \$1200 level underneath is significant support as well, and even more support than this region. Because of this, longer-term investors are waiting to see what this market does a \$1200, as it offers the potential for significant value. If it can break above the \$1230 level, then the market probably goes to the \$1234 level. The \$1250 level above is even more resistive and makes sense for a target. Expect a lot of volatility, but the gold probably has a little bit more downside before it get the longer-term turnaround. If it break down below the \$1200 level, then the gold could drop down to the \$1000 level.

Pivot:	1,224		
Support	1,221	1,217	1,214
Resistance	1,229	1,234	1,237

Source: FX EMPIRE

### Highlights

- Gold struggled to build on overnight modest recovery attempt from one-year lows and came under some renewed selling pressure
- On the flip side, the \$1228-29 area now seems to have emerged as an immediate resistance
- Gold flirted with 1-year lows amid stronger US dollar
- With growing trade war concerns failing to revive demand for traditional safe-haven assets
- The dollar treated from near 52-week highs, pressured by data showing a wobble in the U.S housing market

### 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 extended falls to a one-year low today as the U.S dollar firmed after Federal Reserve Chairman Jerome Powell asserted the need for further interest rate hikes amid a strong economy.
- Spot gold was down 0.2 percent at \$1,223.56 an ounce. The yellow metal slipped to its lowest since July last year at \$1,220.41 an ounce earlier in the session. U.S gold futures for August delivery were 0.4 percent lower at \$1,223.20 an ounce.
- Gold market is just following the U.S dollar, the dollar is strong so it's pushing the market down. The economy is still good and interest rate still up, so that's good for the U.S dollar and negative for gold for the time being.
- The dollar held firm against its peers, supported by bullish comments from Powell, which affirmed expectations for at least two more interest rate hikes this year. Rallies continue to be well sold and it is difficult to see a break toward \$1,236 - \$1,240 (in gold) with the current dollar strength.
- The fall in gold prices came as the dollar held firm against its peers following bullish comments from Powell. The U.S Dollar Index remained unchanged at 94.84 today after hitting a three-week high of 95.407 the previous day.
- Fed's Powell in a closely watched two-day congressional testimony, said he believed the United States was on course for years more of steady growth, and carefully played down the risks to the U.S economy of an escalating trade conflict.
- Spot gold has found a support zone of \$1,220-\$1,226 per ounce. It may hover above this zone for one more day or bounce towards a resistance at \$1,237. A follow-through weakness below overnight swing low level of \$1221 is likely to accelerate the fall towards \$1214.

### 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 Crude Oil market has gone sideways overall, and the market is trying to build up a little bit of confidence for rally. However, the rally will be a nice selling opportunity based upon the massive selling pressure that it has seen as of late. Any rally towards the \$70 level, it would be more than willing to short this market. This would be confirmed by signs of exhaustion, and of course the large, round, psychologically important number will probably attract a lot of attention. Brent markets also drifted sideways with a slightly upward tilt during the session, but it have recently broken down below a major uptrend line, and that of course is a negative sign, perhaps driving down to the \$70 level after that. Rallies are to be sold. Ultimately, this market will continue to drift lower, but if it did break above the \$75 level on a daily close, it could go back to revisit the \$77 level at that point.

Pivot:	68.76		
Support	67.95	67.05	66.40
Resistance	69.25	69.95	70.75

Source: FX EMPIRE

### Highlights

- Oil prices ended higher Wednesday, finding support from a bigger-than-expected decline in gasoline stocks
- Domestic production climbed by 100,000 barrels a day to 11 million barrels a day
- Strong demand for gasoline and distillate changed the mood for oil
- A sharp jump in crude oil inventories in the United States also added to the bearish tone in the market
- A finish below \$71.82 would mark its entry into correction territory, down at least 10% from its May high of \$79.80

### 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 after official data showed an unexpected rise in U.S crude stockpiles, U.S output hit a record high and major oil exporters increased production.
- International crude oil benchmark Brent was down 40 cents at \$72.50 a barrel. U.S light crude was 20 cents lower at \$68.56. A survey of OPEC production showed Saudi output at a near-record, up 700,000 bpd at 10.70 million bpd.
- Brent has fallen almost 9 percent from last week's high above \$79 on emerging evidence of higher production from Saudi Arabia and other members of the Organization of the Petroleum Exporting Countries as well as Russia and the United States.
- U.S crude production had reached 11 million barrels per day (bpd) for the first time. The country has added nearly 1 million bpd in production since November, thanks to rapid increases in shale drilling.
- U.S crude stocks rose by 5.8 million barrels last week, compared with a forecast of a decline of 3.6 million barrels. U.S gasoline inventories dropped by 3.2 million barrels last week, while distillate stockpiles, which include diesel and heating oil, declined by 371,000 barrels, the EIA said.
- Meanwhile, OPEC and non-OPEC producers cut oil output in June by 20 percent more than agreed levels, compared with 47 percent in May, two sources familiar with the matter.
- Saudi Arabia boosted production sharply last month, raising crude shipments to world markets by 390,000 bpd to 7.6 million bpd, Kpler tanker-tracking data showed. That was the biggest increase since the end of 2016.

### 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 broke down a bit yesterday, breaking below the \$15.50 level. This is a very negative turn of events, but it is still in a major “support zone” longer term. Because of this, it is going to find buyers underneath. With the extraordinarily bullish US dollar as of late, silver has taken it on the chin. The silver market continues to see negativity, but at this point it is getting close to the bottom. The \$15 level underneath is a major support level, and it extends to the \$15.50 level based upon longer-term charts. Longer-term, the market will turn around and that the longer-term investor will be looking to get into silver at these cheaper levels. Longer-term investors tend to buy the silver market in a physical form, so therefore leverage doesn’t come into play. The market is difficult to buy in the futures market right now, unless it has the ability to deal with as much as a \$0.40 move against its position.

Pivot:	15.46		
Support	15.38	15.26	15.18
Resistance	15.61	15.73	15.86

Source: FX EMPIRE

### Highlights

- Silver was down 0.8 percent at \$15.41 an ounce, after earlier hitting its lowest since last July at \$15.33 an ounce
- Pressure added from the risk-on market sentiment created from today’s gains in U.S equities
- The U.S dollar index is slightly higher and not far below its recent 12-month high
- September Comex silver was down \$0.082 at \$15.535 an ounce
- Economic data are not having much impact on silver as investors are laser-focused on surging momentum in the U.S dollar

### 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 slightly down in early-afternoon trading yesterday, but up from session lows that saw the metals hit 12-month lows earlier today. An appreciating U.S dollar and down-trending crude oil prices are bearish “outside market” forces working against the precious metals markets this week.
- Silver futures declined in Asian trade to near year lows, while the dollar index barely budged down, ahead of US employment data later today and after the conclusion of Federal Reserve Chair Jerome Powell’s Congressional testimony.
- Silver futures due on September 15 fell 0.51% to \$15.49 an ounce from the opening of \$15.57, while the dollar index shed 0.05% to 95.04 from the opening of 95.09.
- Global investor attitudes remain upbeat, which is supportive for equities but bearish for safe-haven silver. Federal Reserve Chairman Jerome Powell gave a very upbeat assessment on the U.S economy to a U.S Senate panel, which helped to boost U.S stock indexes to contract or multi-month highs.
- Markets await US data on unemployment claims, expected to have risen 6 thousand to 220 thousand in the week ending July 14, while continuing claims are estimated with a 14 thousand drop to 1.725 million in the week ending July.
- The Philly Fed Manufacturing Index is expected to have increased to 21.5 in July from 19.9 in June, while the CB leading index is estimated with a 0.5% rise, up from 0.2% in May.
- In his two-day testimony before the two chambers of Congress, Fed Chair Jerome Powell pointed to strong economic growth this year with continued improvement in the labor market and inflation rates, while cautioning from short-term consequences to trade protectionism.

### 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

Thursday, July 19, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs July 19	06:30	AUD Employment Change (JUN)	High	50.9k	16.5k	13.4k
Thurs July 19	06:30	AUD Unemployment Rate (JUN)	High	5.4%	5.4%	5.4%
Thurs July 19	13:30	GBP Retail Sales Ex Auto Fuel (YoY) (JUN)	Medium	3.0%	3.5%	4.5%
Thurs July 19	17:30	USD Initial Jobless Claims (JUL 14)	Medium		221k	214k
Thurs July 19	17:30	USD Continuing Claims (JUL 07)	Medium		1725k	1739k
Thurs July 19	17:30	USD Philadelphia Fed Business Outlook (JUL)	Medium		21.5	19.9
Thurs July 19	19:00	USD Leading Index (JUN)	Medium		0.5%	0.2
Thurs July 19	19:30	USD EIA Working Natural Gas Implied Flow (JUL 13)	Low			51
Thurs July 19	22:00	USD U.S. to Sell USD13 Bln 10-Year TIPS	Low			

Source: Forex Factory, DailyFX

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