

## Gold

### Technical

The Gold markets drifted a bit lower yesterday, looking at the \$1228 level for support. There is plenty of resistance around the \$1225 level that has recently been broken, so it should now, at least in theory, offer a bit of support. However, if it break down below that level it could continue to go much lower. At this point, even if it rally from here, it suspect that there is a lot of supply near the \$1240 level, so it will be difficult to break above that. It has been in a downtrend, and it's likely that it could continue to see that as the overall attitude. Above there, the \$1250 level is even more resistance, and if it is looking towards that level, it can probably count on a lot of selling pressure. Longer-term, investors are looking to pick up gold at these low levels, but that's probably best to be thought of in physical terms, as the leverage could be very dangerous to hang onto.

Pivot:	1,223		
Support	1,218	1,211	1,205
Resistance	1,229	1,235	1,238

Source: FX EMPIRE

### Highlights

- Gold prices were slightly lower as the dollar edged up after a sharp decline in the previous session
- The dollar steadied after a sharp decline in the previous session
- Geopolitical instability often boosts gold, traditionally seen as a safe place to invest in times of uncertainty
- It is still expected the metal to bounce back towards \$1,300 an ounce
- A stronger greenback makes dollar-priced gold more expensive for buyers using other currencies and thus less attractive to investors

### 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 fell toward one-year lows yesterday as the U.S dollar held on to strength against the currencies of key bullion consumers China and India. Gold's plunge in recent months has led banks and brokerages to downgrade their average gold price forecasts for this year and next.
- Gold has tumbled 10 percent since mid-April as a surge in the greenback made dollar-priced bullion more expensive for buyers with other currencies. Spot gold was down 0.5 percent at \$1,224.67 an ounce, close to last Thursday's low of \$1,211.08, while U.S gold futures for August delivery settled down 0.4 percent at \$1,225.60.
- There was some respite for gold last week when U.S President Donald Trump branded the dollar's strength as bad for the economy, knocking the currency from one-year highs, but the breather proved short-lived.
- One potential positive is a swing in speculative positioning that has seen funds' net short on the Comex exchange grow to its largest since January 2016. Very negative market positioning at the end of 2015 was followed by a surge in the gold price of roughly \$300 in the first half of 2016.
- Gold is also cushioned by technical support around \$1,200-\$1,220, including its July 2017 low of \$1,204.90, the 50 percent Fibonacci retracement of the 2016 rally and the psychologically significant level of \$1,200.
- If the dollar will be able to hold onto its gains following last week's price action, so the gold to at least go a little higher this week with resistance coming in at \$1,236 being our short-term bullish objective.
- Speculative market participants often behave in a very cyclical fashion, and in the past such extreme positioning has frequently been an indicator of a pronounced countermovement in the near future.

### 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 rallied a bit yesterday and is up 1.44%. The market is likely to fill the gap now, that was formed during the open on Friday. It's likely that the sellers will come back somewhere near the \$69.50 level, and most certainly near the \$70 level as it has a certain amount of psychological importance attached to it. At this point, it suspect that the sellers will come back eventually as the move has been so strong. However, a bounce was probably needed to calm the markets down and offer opportunities. Brent markets rallied significantly yesterday, as it has gained 1.43%. However, there is a previous uptrend line that it is testing, and it does look like it is trying to offer resistance. The \$75 level above would offer a significant amount of resistance as well, so keep that in mind. If the US dollar continues to strengthen longer-term, that will of course continue to drive a bearish pressure.

Pivot:	67.70		
Support	67.40	67.00	66.60
Resistance	68.30	68.85	69.30

Source: FX EMPIRE

### Highlights

- Oil prices extended declines into a second session today as attention shifted to the risk of oversupply
- The market had risen after President Donald Trump warned of dire consequences for Iran if it threatened the United States
- The market is continuing volatile swings that were seen last week
- Attention is being focused on geopolitical tensions, particularly between U.S and Iran
- There is a lot of uncertainty in oil right now, which can cause some of the ups or downs to quickly change the market direction

### 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 extended declines into a second session today as attention shifted to the risk of oversupply, with market participants shrugging off escalating tensions between the United States and Iran.
- Brent crude oil was down 19 cents, or 0.3 percent, at \$72.87 a barrel, after settling down 1 cent on Monday. U.S crude was down 21 cents, or 0.3 percent, at \$67.68 a barrel. The contract fell 37 cents the previous day.
- While oil prices were the primary beneficiary of the weekend's headline battle between President Trump and Iranian President Rouhani, that boost started to fizzle as traders then veered to oversupply concerns.
- Iran has been under increasing pressure from the United States, with Trump's administration pushing countries to cut all imports of Iranian oil from November. Saudi Arabia and large producers are ramping up output to offset losses that are likely to come as the November deadline approaches.
- Meanwhile, U.S crude inventories at the delivery hub at Cushing, Oklahoma gained in the four days to Friday. On a weekly basis, stockpiles at the hub were expected to fall for the 10th consecutive week.
- While most analysts believed oil prices would jump if Iran shuts down the Strait of Hormuz or engages in military conflict with the U.S, oil prices seemed to have seen little impact from the development thus far.
- The market concerns about the impact on global economic growth and energy demand of escalating disputes over global trade. The lingering trade war effects continue to raise global growth concerns that continue to dampen sentiment.

### 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 stalled at the \$15.50 level, an area that had previously been both support and resistance. On the longer-term charts, this is the top of a serious demand zone, so the longer-term investors are starting to accumulate silver, especially in its physical form. However, shorter-term charts to dictate that it may need to pull back a little bit to build up the necessary momentum to break higher. Beyond that, pay attention to the US dollar as Silver is highly sensitive. Market participants will be paying attention to global fears, especially when it comes to the trade war. Some people will look to silver as a bit of a safety play, but others will look at it as a way to diversify away from the greenback. Overall, silver is a bit undervalued at these levels, so the longer-term outlook for it. In the short term, it would not be surprised at all to see this market dropped towards the \$15.50 level.

Pivot:	15.36		
Support	15.30	15.22	15.16
Resistance	15.46	15.54	15.62

Source: FX EMPIRE

### Highlights

- Metal prices fell yesterday as dollar steadied and U.S bond yields surged pressuring silver to session lows
- A rise in U.S rates, lift the opportunity cost of holding silver as it pays no interest
- Silver is sensitive to moves higher in both bond yields and the U.S dollar
- Silver prices gave up gains as rising U.S bond yields helped the dollar steady, reducing demand for the pressure metal
- September Comex silver was down \$0.134 at \$15.415 an ounce

### 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 was down 0.85 percent at \$15.34 an ounce after last week's drop to its lowest since July last year. It is forecasted that silver would rebound and average \$16.70 this year.
- Silver prices are moderately lower. Silver prices are not far above last week's 12-month lows. Also, the technical postures for silver markets remain fully bearish on a near-term basis.
- Silver futures due on September 15 fell 1.02% to \$15.39 an ounce from the opening of \$15.55, while the dollar index rose 0.13% to 94.60 from the opening of 94.48, moving off two-week lows.
- Earlier US data showed existing home sales fell 0.6% in June to an annualized 5.38 million units, compared to a 0.7% drop to 5.41 million units in May, while analysts expected a 0.2% rise to 5.44 million.
- World stock markets were mixed to mostly lower today. The world stock markets showed just a mildly bearish reaction to President Trump's tweet late Sunday warning Iran not to threaten the U.S or that country would suffer grave consequences.
- The office of the US Trade Representatives will hold an official hearing on Tuesday and Wednesday on proposed tariffs on Chinese products worth \$16 billion, before presenting policy suggestions to the US President. U.S economic data due for release included the Chicago Fed national activity index and existing home sales.
- Otherwise, China's trade ministry opened investigations into steel imports from the EU, Japan, South Korean and Indonesia, to determine whether they're sold cheaply, which would make it necessary to impose taxes on them to prevent them from flooding the local market.

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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

Tuesday, July 24, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tues July 24	13:00	EUR Markit Eurozone Manufacturing PMI (JUL P)	Medium	55.1	54.6	54.9
Tues July 24	13:00	EUR Markit Eurozone Services PMI (JUL P)	Medium	54.4	55.0	55.2
Tues July 24	15:00	GBP CBI Business Optimism (JUL)	Low		-6	-4
Tues July 24	18:00	MXN Bi-Weekly Core CPI (JUL 15)	Medium		0.15%	0.14%
Tues July 24	18:00	USD House Price Index (MoM) (MAY)	Medium		0.3%	0.1%
Tues July 24	18:45	USD Markit US Manufacturing PMI (JUL P)	Medium		55.1	55.4
Tues July 24	18:45	USD Markit US Services PMI (JUL P)	Medium		56.3	56.5
Tues July 24	18:45	USD Markit US Composite PMI (JUL P)	Medium			56.2
Tues July 24	19:00	USD Richmond Fed Manufact. Index (JUL)	Low		18	20

Source: Forex Factory, DailyFX

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