

Gold

Technical

Gold markets continue to show signs of support underneath at the uptrend line for the third week in a row. The market is probably going to continue to go higher, especially if the US dollar falls over the next couple of weeks, which looks like it could happen against many of the world's major currencies based upon weekly chart. It might see a bit of volatility, but it could also get a bit of bullish pressure due to geopolitical concerns, or perhaps a falling US dollar. There is a couple of different scenarios that could help this market, but if it break down below the \$1275 level, it could break down to the \$1250 level. If it do continue to rally from here, it will probably target the \$1350 level above which has been massive resistance extending to the \$1360 level. This market going higher is much stronger than breaking down as the uptrend line goes all the way back to the end of 2016.

Pivot:	1,293		
Support	1,289	1,286	1,282
Resistance	1,299	1,303	1,306

Source: FX EMPIRE

Highlights

- Gold prices were mixed during morning trade on softer Dollar
- Gold will start to rebound in the final quarter of 2018
- The U.S dollar index that tracks the greenback against a basket of six major currencies shed 0.17% to 94.00
- Dollar-denominated assets such as gold are sensitive to moves in the dollar
- A gain in the dollar usually makes gold more expensive for holders of foreign currency, and thus decreases demand for the precious metal

Gold - Technical Indicators

RSI 14	41.13
SMA 20	1,325.5
SMA 50	1,298.3
SMA 100	1,288.0
SMA 200	1,309.5

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices steadied early today, after falling to the lowest in more than a week in the previous session, as expectations of an interest rate hike this month offset support from worries about a trade war.
- Spot gold was nearly unchanged at \$1,293.06 per ounce. It touched the lowest since May 23 at \$1,289.12 an ounce in the previous session. U.S gold futures for August delivery were down 0.2 percent at \$1,297.10 per ounce.
- U.S job growth accelerated in May and the unemployment rate dropped to an 18-year low of 3.8 percent, pointing to rapidly tightening labor market conditions, which could stir concerns about inflation. China warned the U.S that any agreements reached on trade and business between the two countries will be void if Washington implements tariffs and other trade measures.
- The Federal Reserve should continue to raise rates gradually over the next two years, a U.S central banker said on Friday, with higher borrowing costs perhaps beginning to act as a brake on growth starting early next year.
- Finance leaders of the closest U.S allies vented anger over the Trump administration's metal import tariffs on Saturday, ending a three-day meeting with a stern rebuke of Washington and setting up a heated fight at a G7 summit next week in Quebec.
- Hedge funds and money managers raised their net long position in COMEX gold contracts to the strongest since late April in the week to May 29, U.S Commodity Futures Trading Commission (CFTC) data showed on Friday.
- U.S hedge fund Paulson & Co, led by long-time gold bull John Paulson, is set to name a group of investors that will work together to try to drive changes and better returns from gold mining companies after years of dismal industry performance.

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

U.S crude oil futures closed lower on Friday, pressured by a stronger U.S Dollar and concerns over increasing U.S production. Last week, the Energy Information Administration reported that U.S crude production jumped 215,000 barrels per day (bpd) to 10.47 million bpd, a new monthly record. The main trend is down according to the daily swing chart. The downtrend was reaffirmed on Friday when sellers took out \$65.80. The market is now down seven sessions from its last main top on May 22, which puts it in the window of time for a closing price reversal bottom. The minor trend is also down. A trade through \$68.67 will change the minor trend to up. This will also shift momentum to the upside. The nearest resistance is a Fibonacci level at \$66.00. This is followed by a 50% level at \$67.32. The first support is a price cluster at \$64.92 to \$64.7.

Pivot:	65.73		
Support	65.00	64.15	63.10
Resistance	66.65	67.35	67.90

Source: FX EMPIRE

Highlights

- Oil prices keep dropping due to record U.S output and continued expectations that OPEC producers may decide to boost output later this month
- U.S crude production has been rising to record levels since late last year
- U.S crude production has risen relentlessly by more than a quarter in the last two years
- Crude oil production rose to another record, while drilling activity picked up again
- The U.S benchmark marked a weekly loss of roughly 3%, which was the second straight weekly decline

Crude - Technical Indicators

RSI 14	35.14
SMA 20	48.32
SMA 50	50.76
SMA 100	54.32
SMA 200	59.24

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Crude oil futures lost more ground today as the market was weighed down by U.S output climbing to a record-high and expectations that OPEC members will raise supplies.
- Global benchmark Brent was down 34 cents or 0.4 percent at \$76.45 a barrel, falling for a second session. U.S West Texas Intermediate crude futures dipped 3 cents to \$65.78 a barrel. Last week, the market lost around 3 percent, adding to a near 5-percent decline from a week before.
- Crude oil remained under pressure as the market remained focused on the discussion between OPEC members about whether they should increase production later this year.
- In the U.S, the data also presented a gloomy picture. Crude oil production rose to another record, while drilling activity picked up again. U.S drillers added two oil rigs in the week to June 1, bringing the total to 861, the most since March 2015.
- Hedge funds and other money managers cut their bullish wagers on U.S crude futures and options, according to data released on Friday, as oil prices slumped on oversupply fears.
- Saudi Arabia, effective leader of the OPEC, and Russia have discussed boosting output to compensate for supply losses from Venezuela and to address concerns about the impact of U.S sanctions on Iranian output.
- The speculator group cut its combined futures and options position in New York and London by 50,937 contracts to 370,980 during the week to May 29, the U.S Commodity Futures Trading Commission said.

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 went back and forth during the week, forming a bit of a hammer, and quite frankly it looks likely that the market will continue to try to build up a bit of momentum. Economists think that the market will eventually go towards the \$20 level, an area that is massive for the longer-term, and that it will take a lot of work to break above there. Longer-term and physical position might be the best way to go going forward, because eventually if it can break above the \$20 handle, it is likely to go to the \$50 level. Longer-term investors are using this as an opportunity to build up massive positions. The \$15 level underneath is the massive floor in the market that we need, and therefore if it can stay above that level it's only a matter of time before the longer-term uptrend comes into play. It recognize that every \$0.50 or so there is a certain amount of support and resistance.

Pivot:	16.38		
Support	16.29	16.24	16.20
Resistance	16.50	16.58	16.63

Source: FX EMPIRE

Highlights

- A stronger dollar makes silver more expensive while a rise in U.S rates, lift the opportunity cost of holding silver as it pays no interest
- Weighing on the white metal was falling geopolitical uncertainty as Italy formed a new government
- Average hourly earnings at 2.7% year-on-year is within range it has trended since mid-2016 and not enough to warrant a faster pace of rate hikes
- The jobless rate fell to 3.8%, beating economists' forecasts for unchanged reading of 3.9%
- Silver future prices shed 0.13% to \$16.420 a troy ounce

Silver - Technical Indicators

RSI 14	39.31
SMA 20	17.68
SMA 50	17.25
SMA 100	16.93
SMA 200	16.81

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices moved little in Asian trade on Friday after falling off one-week high yesterday, amid mounting tensions in financial markets about a looming global trade war. Silver prices last traded at \$16.42 an ounce, near the opening of \$16.40, with a session-high at \$16.45, and a low at \$16.40.
- Dollar rose today after two days of losses, as markets await the highly-anticipated US payrolls report, giving dollar some momentum and blunting silver's potential advances.
- Global stock markets are experiencing a phase of confusion and uncertainty after US trade decisions against allies. Fears resurfaced of a global trade war after the US hiked tariffs on steel and aluminum imports from Canada, Mexico, and the European Union.
- Some of the things to be taken on by the investors. The goal is to improve accountability by paying closer attention to mining companies, with the hope that it will boost "capital allocation, compensation and corporate governance.
- Once the rate hike is out of the way, the market will be focusing on the next and potentially last move before the Fed stops for a while. The rate picture may have run its course as well, at least for now.
- A steadily deteriorating trade situation is arguably bearish for the dollar and bullish for silver, but should the situation improve, we could see the dollar rally and pressure silver in the process. On top of that, there are a number of geopolitical risks to keep in mind as the summer gets going, including Italy, Spain and North Korea.
- The other major event will fall on June 12th, which is when President Trump is supposed to meet with the North Korean leader. Any semblance of a rapprochement will be net bearish for silver, albeit temporarily, since political events tend to have a short-term impact on prices.

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, June 04, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon June 04	04:50	JPY Monetary Base (YoY) (MAY)	Medium	8.1%		7.8%
Mon June 04	06:00	AUD TD Securities Inflation (YoY) (MAY)	Medium	2.1%		2.0%
Mon June 04	06:30	AUD Inventories SA (QoQ) (1Q)	Low	0.7%	0.0%	0.2%
Mon June 04	13:30	GBP Markit/CIPS UK Construction PMI (MAY)	Medium	52.5	52.0	52.5
Mon June 04	14:00	EUR Euro-Zone Producer Price Index (MoM) (APR)	Low	0.0%	0.3%	0.1%
Mon June 04	19:00	USD Factory Orders (APR)	Medium		-0.5%	1.6%
Mon June 04	19:00	USD Durable Goods Orders (APR F)	Medium			-1.7%
Mon June 04	19:00	USD Durables Ex Transportation (APR F)	Low			0.9%
Mon June 04	19:00	USD Cap Goods Ship Nondef Ex Air (APR F)	Low			0.8%

Source: Forex Factory, DailyFX

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