

Gold

Technical

August Comex Gold futures rallied sharply higher on Friday after the U.S. Dollar plummeted. The catalyst for the move was reduced expectations for a June rate hike by the Fed. The move was impressive, but it was short-covering. This means it probably won't last. Good rallies need a solid support base. This one does not. So once the short-covering is over, we'll see a pullback into support. The main trend is down according to the daily swing chart. However, momentum has been to the upside since the closing price reversal bottom formed on May 31. The trend will change to up on a trade through \$1292.40. There are two ranges to pay attention to. The first is \$1308.00 to \$1201.50. Its retracement zone is \$1254.80 to \$1267.30. The second is \$1292.40 to \$1201.50.

Pivot:	1,241		
Support	1,233	1,223	1,217
Resistance	1,251	1,258	1,261

Highlights

- Gold futures held steady in European session, after climbing to a two-week high
- U.S added just 38,000 jobs in May, the smallest gain since Sep 2010 and below expectations for an increase of 164,000
- The downbeat data likely pushed a June interest rate hike from the Fed off the table
- Odds for a July rate hike dropped to 32% from 58%, while September odds were at about 48%, compared to 66%
- Gold is sensitive to moves in U.S. interest rates

Gold - Technical Indicators

RSI 14	34.14
SMA 20	1,239.02
SMA 50	1,249.33
SMA 100	1,235.83
SMA 200	1,169.86

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold touched a two-week high before inching lower slightly, following its biggest one-day gain in nearly four months in the previous session after lower-than-expected US employment data cut the chance of a near-term U.S rate hike.
- Bullion, which has gained about 17 percent so far this year, has been under pressure over the past few weeks as comments from senior US central bank officials, including chief Janet Yellen, boosted expectations of an imminent interest rate rise that would be bearish for non-interest bearing gold.
- The safe haven asset got a breather on Friday as data showed the US economy created the fewest number of jobs in more than 5-1/2-years in May, pushing the yellow metal about 2.8 percent higher in its biggest one-day percentage gain since Feb. 11.
- Spot gold was down 0.2 percent to \$1,241.70 per ounce. It reached a high of \$1,248.40, its best since May 24. US gold inched up 0.1 percent to \$1,244.10. The non-farm payroll figures from last Friday still have some kind of a ripple effect on gold prices but the margin of effect is diminishing and because of that \$1,250 should be the immediate resistance level today.
- At an event today in Philadelphia, Yellen gets her last chance to offer insight into Fed thinking before a media blackout takes effect ahead of the June 14-15 monetary policy meeting. Hedge funds and money managers reduced their bullish position in COMEX gold contracts in the week to May 31, government data showed.
- Wall Street's top banks unanimously expect the Fed to leave interest rates unchanged this month, a Reuters poll showed, with bank economists pointing to a weakening US employment scene and Britain's pending vote on remaining in the European Union. Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.71 percent to 881.44 tonnes on Friday, the highest since October, 2013.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	227381	82403	73%	120854	284003	30%	49448	31277	61%	384,974
01- Mar-16	223186	70773	76%	115571	287002	29%	51148	36,819	61%	450555
08- Mar-16	252895	78085	76%	116493	311865	27%	53520	32958	62%	499110
15- Mar-16	247659	78147	76%	118610	304141	28%	49810	33791	60%	493086
22- Mar-16	258646	79815	76%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil markets fell during the course of the last week, using the \$48 level for support. That is of course reason enough to think that the buyers are below and it could continue to push market higher. However, if we can break above the \$50 handle, the market should continue to go much higher. A break down below the \$44 level sends this market much lower over the longer term, and with that being the case it's a market that needs to make some type of decision for a longer-term move fairly soon. Until then, it's probably going to be a situation where we have to simply wait for some type of impulsive candle to start trading. At this point in time, it's likely that this market will be easier to trade from the short-term charts, but we do recognize that sooner or later we will have to make a longer-term move and decide where we are going to go over the longer term.

Pivot:	49.13		
Support	48.33	47.97	47.73
Resistance	49.41	49.72	50.10

Highlights

- Oil markets opened the week trading up, supported by global supply outages which were helping to curb physical supply
- West Texas Intermediate, was trading up 1.13% at \$49.17 a barrel
- Oil supply in Nigeria continued to be affected by attacks from militants
- In recent weeks, outages in Nigeria and Canada have removed more than three million barrels of crude from the market a day
- Higher oil prices are likely enticing U.S. producers back to the market

Crude - Technical Indicators

RSI 14	63.67
SMA 20	48.14
SMA 50	45.18
SMA 100	39.96
SMA 200	39.90

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Crude oil prices rose today, lifted by a plunge in the dollar that could spur demand just as attacks on Nigerian oil infrastructure tighten supplies, but signs of recovering U.S. output capped gains. U.S crude futures were up 60 cents at \$49.22 a barrel.
- Traders said oil prices rose on a sharp fall in the dollar on Friday after weak U.S jobs data sparked concerns over the state of the world's biggest economy, cutting expectations of a near-term cut in U.S interest rates. A weaker dollar supports fuel demand in the rest of the world as it makes dollar-traded oil imports cheaper.
- Investors will be watching Fed Chair Janet Yellen's speech today for hints of a potential rate move. Futures have been trading in a small range for the last 10 days.
- The Muslim holy month of Ramadan starts tomorrow and is seen as supportive of prices as driving demand picks up in most Muslim-dominated countries. Traders said prices were also propped up by attacks on oil infrastructure in Nigeria, which has already sent the country's output to more than 20-year lows.
- So far, supply cuts like those in Nigeria or Libya, have been met by rising output in the Middle East, especially Iran, which has ramped up output since the end of international sanctions against it in January. But Iran is returning to international oil markets more quickly than expected and is quickly returning to its maximum capacity.
- This means that further disruptions in global supplies might not be compensated by rising Iranian output. Oil's price rally, however, was capped on signs of increased output in the United States where energy firms this week added rigs drilling for oil for the second time this year, energy services company Baker Hughes Inc (BHI.N) said on Friday.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01- Mar-16	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
08- Mar-16	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
15- Mar-16	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
22- Mar-16	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets exploded to the upside during the course of the session on Friday, as the US dollar fell drastically due to a less than expected jobs number coming out of America. That being the case, it looks as if the silver market should continue to go higher, and because of this, short-term pullbacks will be buying opportunities as well a break above the top of the range during the session on Friday. I have no interest in selling this market, there is a massive amount of support below the \$16 level and of course we ended up forming a hammer on the weekly chart as well. It looks as if we are going to turn back around and continue to go higher, probably reaching towards the \$18 level next. Because of this, on a break above the top the hammer I will be buying silver for a longer-term move as the falling US dollar should continue to propel the silver markets higher.

Pivot:	16.41		
Support	16.22	16.15	16.02
Resistance	16.55	16.65	16.75

Highlights

- On Friday, the big miss in non-farm payrolls (38k; worst print since Sep '10) sent the US dollar lower by its largest amount in over a year
- The bounce in silver since last Wednesday has now exposed the top-side parallel
- A pullback may take shape initially off the resistance level
- Odds for a July rate hike dropped to 32% from 58% a day earlier
- China is to release what will be closely-watched trade and inflation data later this week

Silver - Technical Indicators

RSI 14	38.00
SMA 20	16.49
SMA 50	16.66
SMA 100	15.95
SMA 200	15.29

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver futures for July delivery rose 34.0 cents, or 2.12%, on Friday to settle at \$16.36 a troy ounce. On the week, silver futures tacked on 14.5 cents, or 0.59%, snapping a four-week losing streak.
- The U.S dollar plunged after the release of dismal U.S. nonfarm payrolls data dampened optimism over the strength of the economy and lowered expectations for a summer rate hike by the Federal Reserve.
- The U.S. economy added just 38,000 jobs in May, the smallest gain since September 2010 and far below expectations for an increase of 164,000. The economy created 123,000 jobs in April, whose figure was revised from a previously gain of 160,000, the Labor Department said Friday.
- Also Friday, the Institute of Supply Management said its non-manufacturing purchasing manager's index fell to 52.9 last month from 55.7 in April. It was the weakest reading since February 2014. Analysts had expected the index to drop to 55.5.
- The downbeat data likely pushed a June interest rate hike from the Federal Reserve off the table, with traders pricing in just a 4% chance for a rate hike this month, down from 21% ahead of the data, according to CME Group's FedWatch tool.
- Odds for a July rate hike dropped to 32% from 58% a day earlier, while September odds were at about 48%, compared to 66% on Thursday. Precious metals are sensitive to the moves in U.S interest rates. A gradual path to higher rates is seen as less of a threat to gold prices than a swift series of increases.
- The U.S. dollar plunged to a three-week low against a basket of major currencies on Friday, as investors pushed back expectations for the next U.S. rate hike. Dollar weakness usually benefits Silver, as it boosts the metal's appeal and makes dollar-priced commodities cheaper for holders of other currencies.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01- Mar-16	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
08- Mar-16	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
15- Mar-16	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
22- Mar-16	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Monday, June 06, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Jun 06	11:00	EUR German Factory Orders n.s.a. (YoY) (APR)	medium	-0.5%	0.6%	2.4%
Mon Jun 06	12:30	EUR Markit Germany Construction PMI (MAY)	low	52.7		53.4
Mon Jun 06	13:00	CHF Domestic Sight Deposits (JUN 3)	low	418.2b		420.7b
Mon Jun 06	13:10	EUR Markit Germany Retail PMI (MAY)	low	54.0		51.0
Mon Jun 06	13:10	EUR Markit Eurozone Retail PMI (MAY)	low	50.6		47.9
Mon Jun 06	13:10	EUR Markit France Retail PMI (MAY)	low	50.6		48.2
Mon Jun 06	13:30	EUR Euro-Zone Sentix Investor Confidence (JUN)	low	9.9	7.0	6.2
Mon Jun 06	19:00	USD Labor Market Conditions Index Change (MAY)	low		-0.8	-0.9
Mon Jun 06	21:30	USD Fed Chair Yellen to Speak in Philadelphia	high			

Source: Forex Factory, DailyFX

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