

## Gold

### Technical

Gold markets rallied slightly during the week, testing the \$1300 level. If it can break above the \$1305 region, the market could go higher, perhaps reaching towards the \$1320 level. Above there, the market opens towards the \$1350 level. Otherwise, if it break down below the uptrend line, it could drift down to the \$1275 level, perhaps even lower, and down to the \$1240 level. Gold markets are very sensitive to risk appetite around the world, and that of course could come into play at any moment. With the Americans and the North Koreans getting ready to talk, the reaction could be quite volatile and violent. The \$1360 level above is massive resistance, and if it can break above there, the market could snap to the upside, not the least of which would be the target of \$1400. If it can break above that level, the market could continue to go much higher.

Pivot:	1,298		
Support	1,293	1,290	1,287
Resistance	1,303	1,306	1,310

Source: FX EMPIRE

### Highlights

- Gold firmed on Friday as a rise in risk aversion ahead of G7 talks this weekend lent support
- Yellow metal remained hemmed within its narrowest weekly range in over a decade as a recovery by the dollar capped gains
- Expectations that the Federal Reserve will announce another U.S interest rate hike next week also pressured gold
- The dollar edged off a three-week low rising against the euro
- Higher rates lift the opportunity cost of investing in non-yielding assets, such as bullion

### 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 edged higher today as the dollar softened ahead of key central bank policy meetings and the U.S and North Korea summit this week, and as a weekend G7 summit fanned trade war fears.
- Spot gold was up 0.1 percent at \$1,299.30 per ounce. U.S gold futures for August delivery were 0.1 percent higher at \$1,303.40 per ounce. Dollar kept falling against a basket of major rivals to near two-week lows.
- The dollar index, which measures the greenback against a basket of six major currencies, was down 0.1 percent at 93.495. The market opened predictably quiet ahead of the abundance of risk events this week and wholly ignored President Trump going rogue at the G7.
- Geopolitical risk moderating, it will be the FED and ECB that will guide gold's near-term fate. U.S President Donald Trump threw the G7's efforts to show a united front into disarray after taking aim at Canadian Prime Minister Justin Trudeau.
- The U.S Federal Reserve's Federal Open Market Committee (FOMC) starts its two-day meeting, where it is anticipated to raise U.S interest rates. The European Central Bank (ECB) and Bank of Japan's policy meetings are also due this week.
- The FOMC coming up and the Trump meeting with Kim Jong Un, so the markets are just watching what's going on. If there's a better risk aversion money will fly into gold.
- The dollar took a dip after Trump left early at the Group of Seven (G7) Summit held in Canada over the weekend. He later tweeted that he was backing out of the joint communique and lashed out against Canadian Prime Minister Justin Trudeau.

### 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

Crude Oil initially fell during the week, drifting down towards the pseudo-uptrend line and bouncing to form a bit of a hammer. If it can break above the top of the hammer, the market should continue to go higher, perhaps trying to reach towards the \$70 level. While it has sold off rather drastically as of late, it looks as if it is going to at the very least bounce, perhaps try to go even higher. The recent shakeout has been rather drastic, but perhaps a bit overdone. Brent markets also fell during the week but turned around form a hammer. The \$75 level underneath should offer support, just as the bottom of the hammer from this past week will be. It could rally from here, perhaps reaching towards the \$80 level above. Economists think if it break down below the hammer, then the market will go looking towards the uptrend line underneath, perhaps dropping down to the \$72 region.

Pivot:	65.55		
Support	65.15	64.80	64.50
Resistance	66.25	66.65	67.30

Source: FX EMPIRE

### Highlights

- Oil prices fell, pulled down by rising Russian production and U.S drilling activity creeping to its highest in more than three years
- U.S crude output, already at a record high of 10.8 million barrels per day (bpd), will climb further
- Beyond changes in the supply-side, strong demand has been supportive of oil prices
- Overseas crude purchases by top importer China remain above 9 million bpd, despite a recent drop from records
- Sentiment on oil prices remained mostly negative, as investors continued to fear OPEC

### 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

- Oil prices were mixed today, caught between the downward pull of rising Russian production and U.S oil drilling activity at its highest since 2015, and upward pressure from strong demand, especially in Asia.
- Brent crude futures were at \$76.18 per barrel, down 28 cents or 0.4 percent, from their last close. U.S West Texas Intermediate crude futures were down 18 cents or 0.3 percent, at \$65.56 a barrel.
- Back in oil markets, analysts expect surging U.S output to start offsetting efforts led by the Organization of the Petroleum Exporting Countries (OPEC) to withhold production, which have been in place since early 2017 and have pushed up prices significantly in the first half of this year.
- Prices were weighed down by another rise in the number of rigs drilling for new oil production in the United States. The rig count inched up by one to its highest since March, 2015 at 862.
- Non-OPEC supply is expected to rise sharply in 2019 led by U.S shale growth, along with Russia, Brazil, Canada and Kazakhstan. It was bearish on the oil price outlook going into the second-half of the year.
- Going into next year, oil fundamentals are expected to weaken in 2019 on the back of stronger-than-expected non-OPEC supply, but also the potential release of barrels from OPEC as the joint accord between OPEC and non-OPEC is unlikely to stay in place.
- OPEC, together with some non-OPEC producers including Russia started withholding output in 2017 to end a global supply overhang and prop up prices. OPEC and its partners are due to meet on June 22 at the cartel's headquarters in Vienna, Austria, to discuss policy.

### 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 rallied significantly during the week, closing towards the top of the candle in a sign of strength. If it can break above the top of the candle, it should continue to go to the \$17.50 level. This is a market that should continue to be noisy, but the \$17.50 level above is massive resistance. Economists think it will have a significant fight up there but given enough time that silver will continue to climb, perhaps due to a falling US dollar longer-term, or perhaps even some type of geopolitical event. Market players believe that the \$20 level above is a major level, and once it break above there it is looking at a longer-term “buy-and-hold” investment that could rocket towards the \$50 level above. The \$16 level is the beginning of major support extending down to the \$15.50 level, and it is very difficult to think that this market will break down below there in continue to go much lower.

Pivot:	16.87		
Support	16.73	16.60	16.51
Resistance	17.00	17.10	17.21

Source: FX EMPIRE

### Highlights

- July Comex silver was last up \$0.015 at \$16.83 an ounce.
- The week will also bring updates on U.S inflation, retail sales and industrial production
- It is widely expected to raise interest rates in what would be its second rate hike this year
- Silver futures settled at \$16.82 a troy ounce, almost unchanged for the day, but posting a weekly gain of 1.87%
- The U.S dollar index is higher today on a rebound from this week’s losses and a bit of safe-haven demand

### 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 dipped in Asian trade on Friday away from six-week highs hit yesterday amid trade tensions before the G7 summit. Silver last traded at \$16.67 an ounce, almost at the opening of \$16.68, with a session-high at \$16.73, and a low at \$16.66.
- Silver gained 0.9 percent at \$16.89 an ounce, after hitting a seven-week high of \$16.93 earlier in the session. The metal was up 2.3 percent last week, also its biggest weekly percentage rise in seven-weeks.
- However, the gains were trimmed down due to the outlook of Federal Reserve's policy tightening this year, with gradual increases to interest rates, while the dollar maintains strength. The dollar index, which measures the greenback against a basket of six major currencies, was down 0.1 percent at 93.452.
- The U.S central bank has “lots of reason” to be concerned, precious metals investor and founder of Sprott Inc Eric Sprott, adding that silver will “prosper” following the very likely hike.
- Silver prices are trading near unchanged levels in early U.S trading Friday. Selling interest in the safe-haven metals will be limited today, heading into the weekend and pending major geopolitical developments.
- There is some uncertainty and even some anxiety among traders and investors heading into this weekend’s Group of Seven meeting in Canada between the major industrialized countries of the world. Tightening policy by a notch just one day apart, the world’s top two central banks will hope to signal confidence in global economic growth, despite risks of a trade war.
- World stock markets were lower overnight and U.S stock indexes are pointed toward lower openings when the New York day session begins. Silver's rise yesterday came as US treasury yields tumbled, as investors look for safe havens such as bonds and silver amid concerns of a global trade war.

### 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 11, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon June 11	04:50	JPY Machine Orders (YoY) (APR)	Medium	9.6%	3.8%	-2.4%
Mon June 11	11:00	JPY Machine Tool Orders (YoY) (MAY P)	Medium	14.9%		22.0%
Mon June 11	13:30	GBP Visible Trade Balance (Pounds) (APR)	Medium	-£14,030	-£11,400	-£12,000
Mon June 11	13:30	GBP Trade Balance (APR)	Medium	-£5,280	-£2,500	-£3,220
Mon June 11	13:30	GBP Industrial Production (YoY) (APR)	Medium	1.8%	2.7%	2.9%
Mon June 11	13:30	GBP Manufacturing Production (YoY) (APR)	Medium	1.4%	3.1%	2.9%
Mon June 11	16:00	GBP NIESR Gross Domestic Product Estimate (MAY)	Medium		0.3%	0.1%
Mon June 11	20:30	USD U.S. to Sell USD 48Bln 3-Month Bills	Low			
Mon June 11	22:00	USD U.S. to Sell USD 22Bln 10-Year Notes Reopening	Low			

Source: Forex Factory, DailyFX

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