

Gold

Technical

Gold prices moved higher, following the dovish commentary by the ECB, but stopped short of resistance near the 50-day moving average at 1,320. Support on gold prices is seen near the 10-day moving average at 1,297, and then an upward sloping trend line at 1,289. Momentum remains positive as the MACD (moving average convergence divergence) histogram prints in the black with an upward sloping trajectory which points to higher prices. The fast stochastic also generated a crossover buy signal which points to accelerating positive short term momentum. U.S initial jobless claims declined 4k to 218k in the week ended June 9 after dipping 1k to 222k in the June 2 week. This is the lowest level since December 1973. And the slide brings the 4-week moving average down to 224.25k from 225.5k. Continuing claims dropped 49k to 1,697k in the June 2 week.

Pivot:	1,301		
Support	1,297	1,293	1,290
Resistance	1,306	1,309	1,311

Source: FX EMPIRE

Highlights

- Gold prices scored highest finish in a month after ECB and Fed policy decision
- A stronger greenback typically makes dollar-priced gold more expensive for non U.S investors
- Higher interest rates generally depress the price of gold, a non-interest bearing asset
- The leading dollar index, which typically moves inversely to gold, also gained, after spending the early part of the day in the red
- Higher interest rates lift the appeal of holding dollars as a stronger dollar cuts the worth of holding non-yielding gold that's priced in this denomination

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 rose to a one-month high yesterday after the European Central Bank (ECB) pledged to keep interest rates steady through the summer of 2019 and investors fretted over weak Chinese data.
- The precious metal's upside, however, was capped by a firmer dollar and a slightly more hawkish U.S Federal Reserve. Spot gold gained 0.3 percent at \$1,303.70 per ounce after peaking at \$1,309.30. U.S gold futures for August delivery settled up \$7, or 0.5 percent, at \$1,308.30 per ounce.
- The ECB said it would end its unprecedented bond purchase scheme by the close of the year, but signaled that this would not mean rapid policy tightening in the coming months. The ECB has now delivered an intrinsically hawkish announcement (i.e., the end of QE) in a dovish tone.
- The ECB move sent the euro down while the dollar index extended its gains as U.S retail sales posted their strongest rise in six months, supporting the view the Fed would raise short-term interest rates further.
- On Wednesday, the Fed lifted key overnight borrowing costs by a quarter percentage point. It also projected two more rate increases by the end of this year, compared to one previously.
- Gold got a boost after China said it was ready to respond if U.S President Donald Trump activated tariffs on Chinese goods. Trade tensions are supportive for gold but having said that we don't think the upside is open because there are headwinds coming from the global recovery and the fact that the Fed is more hawkish
- Inflation worries also lent support. As production costs rise with inflation, companies have less profits to allocate toward employees, so wages are not growing much.

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 traded higher shortly before the regular session opening. The market is getting some help from demand for commodities, helped by a weaker U.S Dollar. There may also be some residual buying tied to yesterday's bullish EIA inventories report and strong refinery demand. However, gains could be limited by concerns over rising U.S production and worries ahead of next week's OPEC meeting in Vienna on June 22. The main trend is down according to the daily swing chart. However, momentum is being driven higher by short-covering and a little aggressive counter-trend buying. The minor trend is up. This is giving momentum its upside bias. A trade through \$65.44 will change the minor trend to down and shift momentum to the downside. The minor range is \$68.52 to \$64.15. Its retracement zone at \$66.34 to \$66.85 is currently being tested. This zone is likely to act like a pivot area.

Pivot:	66.91		
Support	66.35	65.85	65.50
Resistance	67.35	67.90	68.45

Source: FX EMPIRE

Highlights

- Oil prices were little changed today, ahead of key OPEC meeting next week
- Growth in global oil consumption has accelerated significantly since prices slumped in 2014
- Higher prices are set to moderate OECD consumption and thereby global demand growth in 2018/19
- According to the latest estimates from BP, global consumption increased by almost 1.7 million barrels per day (bpd) in 2017
- Real crude oil prices averaged \$51 per barrel between 2015 and 2017, down from \$112

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

- Brent oil prices extended declines today, as Saudi Arabia and Russia, architects of a producer deal to cut output, indicated ahead of a key OPEC meeting in Vienna next week that production could rise.
- Brent crude was down 17 cents, or 0.2 percent, at \$75.77 a barrel, after settling down 80 cents the session before. U.S West Texas Intermediate crude was up 2 cents at \$66.91 a barrel, having settled up 25 cents. It touched a two-week high of \$67.16 yesterday.
- Brent and WTI hit 3-1/2-year highs in May, but have since drifted lower as U.S crude production rises and as the Organization of the Petroleum Exporting Countries, Russia and other allies look poised to increase output in their meeting in the Austrian capital on June 22-23.
- Russian Energy Minister Alexander Novak said yesterday after talks with Saudi Energy Minister Khalid al-Falih in Moscow that both nations "in principle" supported the gradual exit from the deal.
- OPEC countries will be contemplating production levels that could potentially tip the supply/demand balance currently in place, leaving crude oil pricing susceptible to oversupply.
- Great work has been achieved in coordinating OPEC and non-OPEC countries together to minimize global inventory levels. Preserving that cooperation will be extremely tricky, given the higher oil price and revenue-generating environment that we find ourselves in today.
- U.S plans to impose sanctions on oil exports from OPEC member Iran have also contributed to concerns over further involuntary declines in global production and supplies.

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

The Silver markets broke out to the upside during the trading session yesterday, slicing through the \$17 level, reaching towards the \$17.30 level. Economists believe that the market will continue to attract buyers on pullbacks, and that the \$17 level should offer a bit of support on short-term charts. Silver is very sensitive to the US dollar and risk appetite in general, so keep that in mind. However, the trajectory is a very positive, and it looks as if the 50 SMA continues offer support. Longer-term, it can break above the \$17.50 level, and then go looking towards the \$18 level after that. The volatility will continue to be a major issue, but that of course has always been the case for silver. The Silver markets will eventually go looking towards the \$20 level. It will eventually go to the \$20 level, and then break above there to the \$50 level, it's going to take some type of major economic event for that to happen.

Pivot:	17.18		
Support	17.05	16.98	16.90
Resistance	17.25	17.31	17.40

Source: FX EMPIRE

Highlights

- Silver climbed 1.4 percent to \$17.24 an ounce, after hitting \$17.32 an ounce, its highest since April 19
- Silver jumped to 2-month highs versus the Dollar even though the Federal Reserve yesterday raised US interest rates and forecast further hikes ahead
- Silver prices meantime broke to the top of their recent Dollar trading range
- Interest rates across the 19-nation Eurozone will also stay unchanged "at least through the summer of 2019"
- The Dollar gained its highest price since mid-April at \$17.25 per ounce and touched 7-month highs

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 inched down today away from seven-week highs hit yesterday, even as Asian stocks lost ground as well. Silver dipped to \$16.94 an ounce from the opening of \$17.02, with a session-high at \$17.05, and a low at \$16.93.
- Demand tumbled on silver after the Federal Reserve raised interest rates and hinted at more hikes this year and the next, hurting demand on non-yielding havens such as silver.
- Asian stock indices dipped today, but that failed to prop up silver as US rate hike prospects put heavy pressure on the white metal. July Comex silver was last up \$0.284 at \$17.275 an ounce.
- Silver prices are moderately higher in early U.S trading yesterday, despite a solid rebound in the U.S dollar as the U.S day session gets under way. Silver hit a seven-week high today.
- The Dollar index reversed course and rallied modestly after the ECB news, after being under good selling pressure overnight. While the ending of QE appears hawkish, currency investors beat the Euro currency down on the wording that the ECB intends to keep interest rates at present levels through at least 2019.
- The U.S interest rate hike and the ECB ending QE reminds world investors that most of the major central banks of the world are likely to tighten their monetary policies in the coming months, amid rising inflationary pressures. Rising inflation is actually a bullish scenario for raw commodities.
- World stock markets were mostly weaker today. U.S stock indexes are pointed toward slightly higher openings when the New York day session begins. Commodity market prices have been hit by worries of a full-blown trade war between the leading economies of the world.

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

Friday, June 15, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri June 15	07:41	JPY BOJ Rate Decision (JUN 15)	High	-0.10%		-0.10%
Fri June 15	07:41	JPY BOJ 10-Yr Yield Target (JUN 15)	High	0.00%		0.00%
Fri June 15	14:00	EUR Euro-Zone Consumer Price Index Core (YoY) (MAY F)	Medium		1.1%	1.1%
Fri June 15	18:00	CAD Existing Home Sales (MoM) (MAY)	Medium		-1.4%	-2.9%
Fri June 15	18:15	USD Industrial Production (MoM) (MAY)	Medium		0.2%	0.7%
Fri June 15	19:00	USD U. of Mich. Sentiment (JUN P)	High		98.5	98.0
Fri June 15	19:00	USD U. of Mich. Current Conditions (JUN P)	Low			111.8
Fri June 15	19:00	USD U. of Mich. 5-10 Yr Inflation (JUN P)	Low			2.5%
Fri June 15	22:00	USD Baker Hughes U.S. Rig Count (JUN 15)	Medium			1062

Source: Forex Factory, DailyFX

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