

## Gold

### Technical

Gold is in a bit of a rut during the session yesterday, as investors try to figure out what the next move is between the United States and China. Beyond that, it has a lot of bullish pressure on the US dollar which of course drags on the value of gold overall. Economists think that the market is going to continue to be very noisy, and it will be the first to admit that from a longer-term standpoint. However, short-term investors have been beaten up as of late, so it is going to be difficult for some people to step in. The easiest way to step in and pick up Gold is to buy it either physically, taking out the issue of leverage, or in small increments. However, the uptrend line just above should be a bit of a resistance barrier, so if it was to break above there, the market should continue to go higher, perhaps reaching towards the \$1300 level. The \$1275 level underneath is massive support.

Pivot:	1,279		
Support	1,277	1,273	1,269
Resistance	1,284	1,287	1,290

Source: FX EMPIRE

### Highlights

- Gold notched modest bounce from lowest close of 2018
- Spot gold was up 0.45 percent at \$1,283.62 an ounce
- Gold prices can gain during times of financial and political uncertainty as the metal is seen as a safe place to park assets
- Gold prices came as the U.S dollar marked a 1.3% weekly gain
- As long as gold continued to trade below its 200-day moving average at \$1,307 prices were more likely to fall than rise

### 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 today, supported by safe-haven buying, as an escalating trade spat between the United States and China sparked a sell-off in equity markets.
- The U.S dollar and Asian stocks extended a global downturn after President Donald Trump threatened to impose a 10 percent tariff on \$200 billion of Chinese goods in an escalating tit-for-tat trade war between the world's two biggest economies.
- The dollar was down 0.3 percent against a basket of major currencies at 94.548, as well as hitting a one-week low versus the yen . Asian shares outside Japan slid 1 percent to their lowest level in over four months.
- Spot gold prices were hemmed in a tight trading range after Friday's selloff because of competing pressure and support, forcing investors to reassess their positions.
- U.S and China trade dispute affected a whole bunch of physical commodities, that will have a spillover on the gold market. Unfortunately for the gold market bulls, their yellow metal last Friday wanted to act like a raw commodity instead of a safe-haven store of value.
- Gold plunged 1.8 percent on Friday, its biggest one-day fall since November 2016, despite Washington deciding to enact tariffs on \$50 billion in Chinese goods.
- Global markets have focused on a growing trade spat between the U.S and China. The hostilities have shown signs of devolving into a full-blown trade war, raising questions about the outlook for economic global growth if the two largest economies, China and the U.S, lock horns. The market is also ignoring the political risks in Germany.

### 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 spiked yesterday, reaching towards the \$65 level and beyond. The market perhaps was a bit oversold. The market will continue to be very erratic over the next several sessions, as it await the meeting, and perhaps an announcement of production increases. In other words, this is going to be a very noisy couple of days. Brent markets also were very bullish during the day. The \$75 level above is of course going to be resistance, so it may be a bit of a fight to get above there ahead of the OPEC meeting. The OPEC meeting will of course driver it go next, but right now it looks as if the market is trying to recover many of the losses over the last several days. The \$77 level above should be the “ceiling” in the market, unless of course OPEC keeps production cuts in line, and perhaps sounds as if it has no interest in trying to increase production.

Pivot:	65.28		
Support	64.90	64.15	63.60
Resistance	65.64	66.00	66.35

Source: FX EMPIRE

### Highlights

- U.S oil prices finished higher to recoup some of their recent losses
- The global benchmark, was down 59 cents, or around 0.8%, to \$74.75 a barrel and dampened appetite for risk-sensitive assets
- OPEC will discuss an oil output hike of 300,000 to 600,000 barrels per day (bpd) at this week's meeting
- U.S President Donald Trump threatened to impose a 10% tariff on \$200 billion of Chinese goods
- OPEC and Russia were aiming to boost output by at least 1 million bpd at the June meeting

### 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 fell today as an escalating trade dispute between the United States and China unleashed sharp selloffs in many global markets. Global oil demand will be revised downwards and as such oil will not be immune from all of the potential negative impact of international trade wars.
- The crude price was also dented by expectations that producer group OPEC and partner Russia will gradually increase output in order to make up for involuntary losses in Venezuela and potential shortfalls from Iran, which is facing U.S sanctions related to its nuclear activity.
- The United States and China are threatening punitive tariffs on each other's exports, which could include oil supplies, which sent Chinese stocks to their lowest in almost a year and kept European indices and other industrial commodities such as copper and nickel under pressure.
- Brent crude futures fell 20 cents to \$75.14 a barrel, while U.S crude futures lost 72 cents on the day to trade at \$65.13 a barrel. The 585,000-barrel per day line is due to start flowing next year.
- Oil investors are closely watching a threat by China to react to U.S tariffs by putting a 25 percent duty on U.S crude oil imports, which have been surging since 2017 to a value of almost \$1 billion per month.
- For the energy industry, the potential for relief has taken on added importance after China surprised markets last week by proposing 25 percent levies on about \$1 billion a month in U.S oil imports in retaliation for U.S tariffs.
- The pipeline industry could face higher costs from tariffs as about 77 percent of the steel used in U.S pipelines is imported, according to a 2017 study for the pipeline industry.

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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 market has been very choppy during the trading session yesterday, using the \$60.50 level as support. The level of course is important from a psychological standpoint, but also from a structural standpoint the rectangle drawn on the chart shows that there is a lot of order flow in this general vicinity. It is because of this that the Silver markets will be able to rally if it don't get some type of major trade war escalation, or the US dollar escalating in value. If it can break above the \$16.61 level, the market will probably continue to try to recover those losses. It could go as high as \$17.25 after that. However, it's not can it be an easy trade. If it break down below the \$16.30 level, that will more than likely send the market down to the \$16 level next, perhaps even lower. However, there is so much in the way of support below that the downside is somewhat limited in general.

Pivot:	16.38		
Support	16.29	16.16	16.02
Resistance	16.55	16.63	16.73

Source: FX EMPIRE

### Highlights

- Silver prices were unchanged at \$16.40 an ounce, after earlier hitting the lowest since June 5 at \$16.34
- Silver was hit significantly harder than gold on Friday, losing 3.5% by close of trading
- Silver prices at present levels are a longer-term, value-buying opportunity
- The next CFTC report could show a scale-back in the hedge funds' bullish posture, as silver futures tumbled Friday
- Silver specs aggressively increased their length heading into the FOMC meeting last week

### 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 climbed for the third straight session to near two-month highs as Asian stocks wavered today, lending some liquidity to the white metal. Silver prices rose to \$17.17 an ounce from the opening of \$17.14, with a session-high at \$17.21, and a low at \$17.10.
- Caution remains in the market as US is expected to announce \$50 billion tariffs on Chinese imports, rekindling trade war fears. Dollar rose to seven-month highs against a basket of major rivals, as the euro tumbled following the ECB's meeting, in turn shaving some of silver's gains.
- The July silver was at \$16.59 in early New York trading yesterday, meaning they now are down from where they were as of the last Tuesday cutoff for the CFTC data.
- Silver has shed almost all of the gains it had accrued since the start of the month. Because the price rise beforehand had been driven to a large extent by speculation as its net-long positions were increased nine-fold to just shy of 41,000 contracts in the space of a week, there was considerable downside potential here.
- The CFTC's "disaggregated" report showed that money managers then upped hiked their net-long position in silver futures to 40,744 lots in the week to June 12 from 4,619 the week before.
- Despite the highly expected rate hike, along with stronger jobs and wage data, anticipation that the Fed would imply a dovish tone at the meeting prompted shorts to aggressively cover.
- If silver futures prices can push above the trading range seen on the weekly chart, meaning above chart resistance at \$18.65, then the bulls would be off to the races to enjoy much bigger upside price potential.

### 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

Tuesday, June 19, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tues June 19	06:30	AUD House Price Index (YoY) (1Q)	Low	2.0%	1.7%	5.0%
Tues June 19	06:30	AUD RBA June Meeting Minutes	Medium			
Tues June 19	13:00	EUR Euro-Zone Current Account s.a. (euros) (APR)	Low	28.4b		32.0b
Tues June 19	13:00	EUR ECB President Draghi speaks in Sintra, Portugal	High			
Tues June 19	14:00	EUR Euro-Zone Construction Output s.a. (MoM) (APR)	Low	1.8%		-0.2%
Tues June 19	17:30	USD Housing Starts (MoM) (MAY)	Medium		1.9%	-3.7%
Tues June 19	17:30	USD Building Permits (MoM) (MAY)	Medium		-1.0%	-1.8%
Tues June 19	20:30	USD U.S. to Sell USD26 Bln 52-Week Bills	Low			
Tues June 19	20:30	USD U.S. to Sell 4-Week Bills	Low			

Source: Forex Factory, DailyFX

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