

## Gold

### Technical

Gold markets are going to be a very interesting place to be, as it has a lot of moving pieces around the world. Trade tariffs of course are a major concern to investors around the world, and this has them buying safer asset such as treasuries. The market will get a bit of a bounce in this general vicinity, but it is still very much in a downtrend. Economists believe that the \$1275 level above is resistance, and of course the previous uptrend line that have marked on the chart. In other words, there are a lot of headwinds for gold from a technical standpoint. If it break down below the \$1250 level, the market probably goes down to the \$1200 level, but at the end of the day it may get a short-term bounce to turn around and start shorting yet again. It is very difficult to imagine that the market is going to be comfortable enough to start buying, and the major breakdown.

Pivot:	1,251		
Support	1,248	1,243	1,239
Resistance	1,255	1,261	1,264

Source: FX EMPIRE

### Highlights

- Gold prices have shed more than 3 percent this month, the biggest monthly loss since September
- A large decline in gold held by exchange-traded funds and a sharp fall in speculative bets
- The main focal point of the day will be the dollar and its pressure on gold
- Higher rates typically lift the dollar and U.S bond yields, pressuring gold, which is priced in dollars and does not offer a yield
- The Federal Reserve should continue to gradually raise interest rates to lower the risk of a major policy error

### Gold - Technical Indicators

RSI 14	70.21
SMA 20	1,260.3
SMA 50	1,259.1
SMA 100	1,258.9
SMA 200	1,257.5

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices inched up today, but hovered close to an over six-month low hit in the previous session, as the dollar failed to build on overnight gains amid conflicting signals from Washington while the U.S and China trade row deepened.
- Spot gold was up 0.1 percent at \$1,253.20 an ounce. In the prior session, it touched \$1,250.30, its lowest since mid-December. U.S gold futures were down 0.1 percent at \$1,254.60 an ounce.
- The dollar index against a basket of six major currencies stood steady at 95.254, though it failed to build on overnight gains amid conflicting signals from Washington on a proposal to restrict Chinese investment as the bitter U.S and China trade row kept financial markets on edge.
- U.S President Donald Trump yesterday said he will use a strengthened national security review process to thwart Chinese acquisitions of sensitive American technologies, a softer approach than imposing China-specific investment restrictions.
- Tariffs on U.S imports of Chinese goods imposed by the Trump administration could hit up to 15 percent of goods moving through the Port of Los Angeles once they go into effect.
- The U.S economy is growing at a 4.5 percent annualized rate in the second quarter following the latest data on home sales and advance trade balance released this week.
- Technical indicators suggest gold will continue to fall, with support at the psychologically-important level of \$1,250 then at \$1,236.60, gold's December low. An escalating trade dispute between the United States and China has hit global stock markets.

### 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 rallied significantly yesterday, breaking above the \$72 level, and then eventually the \$72.50 level. At this point, the market is obviously very bullish, so shorting this market is all but impossible. Economists think short-term pullbacks will be buying opportunities, as there is plenty of support below at several different levels. The \$70 level underneath should offer a lot of support, as it has offered a lot of resistance. As long as tensions are high between the Iranians and the Americans, it's very unlikely that it will see markets fall off. Brent markets shot higher yesterday, breaking above the \$77.50 level, and looking very likely to continue to go much higher. The \$75 level underneath should be support now, as it is a large come around, psychologically figure, and of course it's likely that it will continue to see a lot of buyers on dips.

Pivot:	72.41		
Support	71.20	69.40	68.20
Resistance	73.60	74.60	75.80

Source: FX EMPIRE

### Highlights

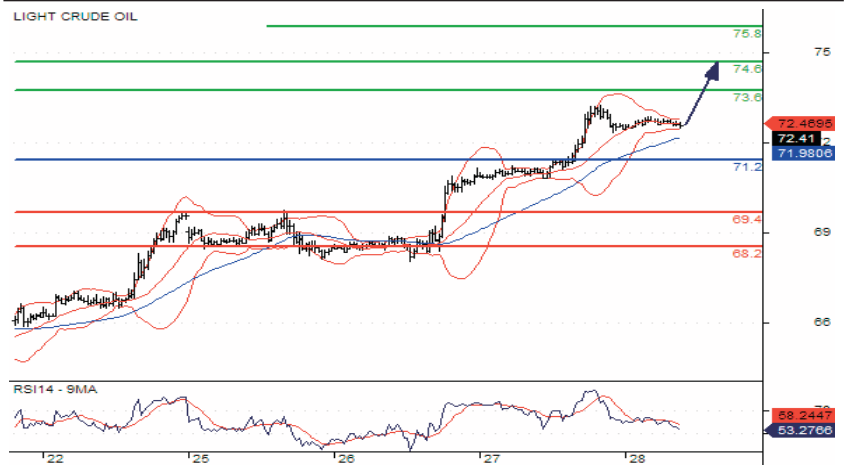
- Crude oil prices were lower today amid output concerns from the U.S and OPEC
- The front-month U.S crude contract traded at \$4.67 above the sixth-month contract
- Inventors also showed concerns over U.S threats to sanction countries that don't stop importing oil from Iran by Nov. 4
- Unexpected supply cuts from Canada, Libya and Venezuela have also added to output concerns
- Oil prices rallied yesterday, hit its highest since 2014 as domestic crude supplies notched their biggest weekly drop of the year so far

### Crude - Technical Indicators

RSI 14	37.55
SMA 20	70.29
SMA 50	70.33
SMA 100	70.49
SMA 200	70.64

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- U.S. oil prices dropped away from three-and-a-half year highs today amid high output from Russia, the United States and Saudi Arabia, although unplanned supply disruptions elsewhere and record demand stemmed a bigger decline.
- U.S West Texas Intermediate crude futures were at \$72.42 a barrel, down 34 cents or 0.5 percent, from their last settlement. WTI hit its highest since November 2014 at \$73.06 per barrel in the previous session. Brent crude futures were at \$77.40 per barrel, down 22 cents, or 0.3 percent, from their last close.
- Oil prices have been rallying for much of 2018 on tightening market conditions due to record demand and voluntary supply cuts led by the Middle East dominated producer cartel of the OPEC.
- U.S crude stocks fell nearly 10 million barrels last week, the most since Sept. 2016, while gasoline and distillate inventories rose less than expected, the Energy Information Administration said.
- Russia and Saudi Arabia at similar levels, and output expected to rise as OPEC and Russia ease their supply restrictions, there will soon be three countries pumping out 11 million barrels of crude each and every day.
- Iran currently exports around 2.4 million barrels a day of crude. Analysts had estimated that anywhere between 400,000 to a 1 million barrels could be at risk once sanctions are fully reinstated in six months.
- Saudi Arabia, the world's largest exporter of crude said it would raise its own production from 10.8 million barrels a day this month to 11 million barrels a day in July.

### 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 fell a bit yesterday, testing the \$16 level. This is an area that is very important on the chart, and it is the gateway to the \$15.50 level which is massively supportive. Economists believe that any break down below the \$16 level should be taken seriously by short-term investors, but if a longer-term investor in the precious metals arena, a break down below \$16 would be welcome, as it can start buying physical silver cheaply again. Beyond that, this is an area that's important to pay attention to because short-term investors have seen markets bounced from the \$16 level more than once. The short-term investors will continue to flock to this market in these areas, and it certainly looks as if the support is trying to hold. Silver markets are incredibly volatile, so it should keep some caution when playing this market. By playing these large levels, the odds are in favor.

Pivot:	16.05		
Support	15.95	15.90	15.82
Resistance	16.17	16.25	16.35

Source: FX EMPIRE

### Highlights

- U.S stock pointed narrowly mixed as a global trade war among the major economies are weighing on the global equities markets
- The precious metals bulls are attempting to stop the bleeding in prices, which has mainly come from an eroding raw commodity sector
- The U.S dollar continues to rise, reaching a one-week high
- U.S Treasuries have edged lower for their first drop in more than a week
- Spot silver dropped 0.5 percent to \$16.17 an ounce

### Silver - Technical Indicators

RSI 14	53.61
SMA 20	16.29
SMA 50	16.28
SMA 100	16.28
SMA 200	16.25

Source: FX EMPIRE

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver fell while the dollar index moved little today, ahead of later data from the US, while investors await the European Union Economic Summit in Brussels. The Fed is expected to raise interest rates at least four times this year, which will likely dent silver prices.
- Silver futures due on September 15 fell 0.51% to \$16.16 an ounce from the opening of \$16.24, while the dollar index traded at 95.28. The dollar may continue to strengthen because of rising U.S interest rates and yields.
- Markets await the final reading for first quarter US GDP growth, expected to come at 2.2%, down from 2.9% in the fourth quarter of 2017. The dollar held steady against its rivals. The U.S dollar index, which tracks the greenback against a basket of currencies, was little changed at 95.00.
- US unemployment claims are expected to have risen by 2 thousand to 220 thousand in the week ending June 23, while continuing claims are forecasts to have dipped by 5 thousand to 1.718 million in the week ending June 16.
- Investors also look forward to the EU Economic Summit in Brussels later today, with talks to be conducted on a number of global hot issues such as immigration, security, defense, and economy.
- September silver, the most active contract, settled down 0.6% at \$16.237 an ounce. The contract was down 1.8% this week so far. Investors often turn to silver in times of political uncertainty, as the precious metal is often considered a safe haven from the impact of geopolitics but silver has struggled amid the latest political risks.
- There may yet be some reprieve for silver, however, as some market participants appeared to turn bearish on the dollar, claiming an end to trade tensions was far from over.

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	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

Thursday, June 28, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs June 28	02:00	NZD RBNZ Official Cash Rate (JUN 28)	High	1.75%	1.75%	1.75%
Thurs June 28	04:50	JPY Retail Trade (YoY) (MAY)	Medium	0.6%	1.2%	1.6%
Thurs June 28	11:00	EUR German GfK Consumer Confidence (JUL)	Medium	10.7	10.6	10.7
Thurs June 28	17:00	EUR German Consumer Price Index (YoY) (JUN P)	High		2.2%	2.2%
Thurs June 28	17:30	USD Initial Jobless Claims (JUN 23)	Medium		220k	218k
Thurs June 28	17:30	USD Continuing Claims (JUN 16)	Medium		1718k	1723k
Thurs June 28	17:30	USD Gross Domestic Product Annualized (QoQ) (1Q T)	High		2.2%	2.2%
Thurs June 28	17:30	USD Gross Domestic Product Price Index (1Q T)	Medium		1.9%	1.9%
Thurs June 28	17:30	USD Core PCE (QoQ) (1Q T)	Medium			2.3%

Source: Forex Factory, DailyFX

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