

## Gold

### Technical

April Comex Gold futures are trading lower shortly before the regular session opening. A stronger U.S. Dollar is pressuring dollar-denominated gold. The dollar is strengthening due to the increasing odds of an early rate hike by the Fed. The CME Fed Funds Indicator pegs the chances of a March rate hike at 34.5%. Some indicators are as high as 54%. Gold is likely to break hard if the PCE Price Index comes in above 0.3%. The main trend is up according to the daily swing chart. However, momentum is trending down with the formation of the new main top at \$1264.90. The short-term range is \$1217.50 to \$1264.90. Its 50% level at \$1241.20 is the first target. This is followed by a major 50% level at \$1235.60. Another main range is \$1182.60 to \$1264.90. Its retracement zone is \$1223.80 to \$1214.00. All of these retracement zones are potential downside targets.

Pivot:	1,245		
Support	1,240	1,235	1,231
Resistance	1,248	1,252	1,258

### Highlights

- Gold futures pulled back yesterday from the 3 1/2-month highs scored a day earlier
- The precious metal managed to mark a second straight monthly gain
- Safety demand recently lifted gold to its highest prices since November
- Gold for April delivery fell \$4.90, or 0.4%, to settle at \$1,253.90 an ounce—for a monthly gain of roughly 3.5%
- In yesterday's session, the U.S. Dollar Index DXY fell 0.1%, though it settled with a monthly gain of 1.5%

### Gold - Technical Indicators

RSI 14	64.37
SMA 20	1,224.8
SMA 50	1,197.7
SMA 100	1,202.3
SMA 200	1,261.2

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold fell today as the dollar gained after comments from U.S. Federal Reserve officials raised expectations of a rate hike in March, while an eagerly awaited speech by U.S. President Donald Trump offered few details on infrastructure spending and tax reforms.
- Spot gold had dropped 0.4 percent to \$1,243.86 per ounce. The metal hit its highest since Nov. 11 at \$1,263.80 on Feb. 27. U.S gold futures fell 0.8 percent to \$1,244.30.
- Trump pledged to overhaul the immigration system, improve jobs and wages for Americans and promised "massive" tax relief to the middle class and tax cuts for companies, but offered few clues on how they would be achieved.
- The speech was very light on detail. suspect it has a bit turned into a damp squib. There were no new policy announcements there and a lot of it is already built into the U.S. dollar.
- The president had said on Monday that he would propose a budget that would increase spending on defence while seeking savings elsewhere. The dollar index was up 0.5 percent at 101.580.
- The market appeared a little disappointed by the lack of specifics and was met with a pullback in the greenback. A handful of Fed policymakers on Tuesday boosted expectations for a March U.S. interest rate increase.
- Interest rate futures implied traders saw nearly a 57-percent chance the Fed would raise rates at its March 14-15 meeting, up from roughly 31 percent late on Monday, and around 20 percent a week ago, according to Reuters data.
- Fed Chair Janet Yellen speaking on Friday should be quite important now. If she is towards the hawkish side, then the March meeting will be live and strengthen the dollar. With the market pricing in a greater chance of a March rate hike from the Fed, gold is likely to remain under pressure in the short term

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

The WTI Crude Oil market fell during the session on Tuesday, but as you can see we are still within consolidation. The blue box on the chart shows that we have been struggling just below the \$55 level, and that's exactly what has happened here. The market has support at the \$53 level, and more importantly at the \$51.50 level. This pullback makes a lot of sense but quite frankly I don't know that we've seen a major change in attitude. I believe that we are just simply going back and forth as the market tries to figure out where to go next. Because of that, I'm not overly excited about shorting but I recognize that we may drift a little bit lower going forward, with quite a bit of choppiness. Momentum on Crude oil is Neutral. Short term resistance is seen near the 10-day moving average at 53.90. Additional resistance is seen near last week's highs at 55.03.

Pivot:	54.29		
Support	53.94	53.76	53.65
Resistance	54.58	54.74	54.94

### Highlights

- Oil prices slipped yesterday but kept trading in a tight range
- Concerns about rising U.S. crude inventories ahead of data overshadowed OPEC production cuts
- U.S crude stockpiles have risen for seven straight weeks. Forecasts for another weekly build, this time of 3.1 million barrels last week
- U.S crude futures settled down 4 cents, or 0.1 percent, at \$54.01 a barrel
- The official report from the U.S EIA is due for release today

### Crude - Technical Indicators

RSI 14	58.09
SMA 20	53.29
SMA 50	53.06
SMA 100	50.68
SMA 200	48.38

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil reversed earlier losses today as investors took heart from strict OPEC compliance with its pledge to cut output, although evidence of increasing U.S. production capped gains.
- The Organization of the Petroleum Exporting Countries reduced its oil output for a second month in February, a Reuters survey found, showing the exporter group has boosted already strong compliance to around 94 percent.
- Heftier cuts by Saudi Arabia and Angola helped offset weaker compliance by other members that agreed to limit their output. U.S. West Texas Intermediate (WTI) futures for April were up 18 cents at \$54.19.
- Oil prices are 23 percent higher than they were at the end of November, when OPEC announced its deal, but this strength has encouraged more U.S. production to come back online.
- There seems to be a consensus within OPEC that the optimal crude oil price is as near as possible to the upper line of our shale band price range (\$40-60 a barrel) but not significantly above.
- Investors were waiting for weekly U.S. inventory data later today. U.S. crude stockpiles have risen for seven straight weeks. Forecasts for another build last week, this time of 3.1 million barrels, have fueled worries that demand growth may not be sufficient to soak up the global oil glut.
- The market offered little reaction to news of a rise in North Sea crude supply next month. Loading programs for the four crudes that underpin dated Brent showed a rise to 908,000 barrels per day, from March's 884,000 bpd.
- A speech by U.S. President Donald Trump gave little detail on plans by his administration to boost U.S. oil production. Investors had expected Trump to include specifics on energy policy in an address to the U.S. Congress.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	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 during the day on Tuesday, showing signs of strength yet again. The \$18 level underneath continues to be supportive and I believe that is the “floor” in the market. More importantly, the 50-day exponential moving average, the 100-day exponential moving average, and the 200-day exponential moving average have all crossed. This suggests that the longer-term trend is going to the upside, and should send this market much higher. Pullbacks should continue to be bought as there are plenty of people who have seen this massive turn around. Buying on dips will more than likely be the best way to play this market, and I believe that there is a massive amount of support just below the \$18 level on top of everything else, so I remain bullish. Longer-term investors are going to be involved for a longer-term “buy-and-hold” type of situation.

Pivot:	18.35		
Support	18.25	18.20	18.13
Resistance	18.40	18.48	18.55

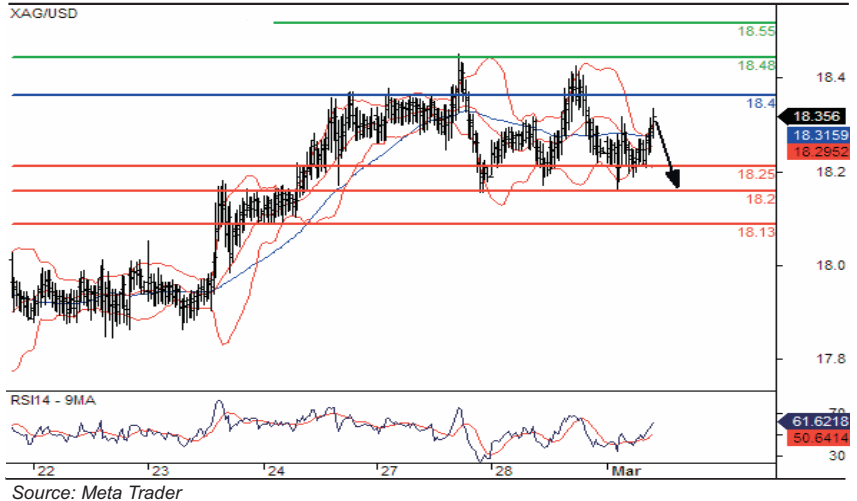
### Highlights

- Silver extended loses on investors’ expectations that U.S central bankers may hike interest rates as soon as this month
- The U.S Dollar remained buoyed today and undercutting demand for the metal
- Investors are rethinking about whether the Federal Reserve could move this month
- The Dollar Index rose as much as 0.6 percent, gaining for a fourth straight day
- Odds of a March hike implied by pricing in federal funds futures contracts surged to 82 percent up from 50 percent

### Silver - Technical Indicators

RSI 14	66.87
SMA 20	17.71
SMA 50	17.06
SMA 100	17.10
SMA 200	18.19

### Silver Daily Graph



### Fundamentals

- Silver and gold prices declined slightly in yesterday’s trading session, as investors turned their attention ahead to planned remarks from President Donald Trump.
- May silver futures dipped 7 cents, or 0.4%, to \$18.35 a troy ounce. Prices fluctuated within a narrow range of \$18.28 and \$18.39 overnight. The move lower knocked silver prices off overbought levels.
- Silver is in a two-month uptrend, fueled by technical buying and risk-off sentiment in the global financial markets. Yesterday, U.S President Donald Trump delivered his first address to a joint Congress.
- Investors watched closely monitoring the event for clues about the new administration’s economic policies around taxation and deregulation. Earlier this month, Trump promised to unveil “phenomenal” tax cuts in a matter of weeks.
- The U.S Dollar resumed its consolidation trend yesterday, falling slightly against a basket of world peers. The dollar index dipped 0.1% to 101.01, having held relatively steady over the past three sessions.
- U.S. stock futures were little changed in pre-market trading, pointing to a stable start to the day on Wall Street. On Monday, the Dow Jones Industrial Average recorded its twelfth consecutive record close.
- A repeat performance on Tuesday would mark the index’s longest-ever streak of all-time highs. The S&P 500 Index is also coming off from its new record high.
- The speech by Trump “was rhetoric high and detail low and everything he mentioned is already built into the USD price. Attention will now turn to a speech by Fed Chair Janet Yellen that’s due 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	
12/27/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Mar 01	05:30	AUD Gross Domestic Product (YoY) (4Q)	High	2.4%	2.0%	1.9%
Wed Mar 01	06:00	CNY Manufacturing PMI (FEB)	High	51.6	51.2	51.3
Wed Mar 01	13:30	CHF SVME-Purchasing Managers Index (FEB)	Medium	57.8	55.5	54.6
Wed Mar 01	13:55	EUR German Unemployment Change (FEB)	High	-14k	-10k	-25k
Wed Mar 01	14:30	GBP Markit UK PMI Manufacturing SA (FEB)	Medium	54.6	55.8	55.7
Wed Mar 01	18:00	EUR German Consumer Price Index (YoY) (FEB)	High		2.1%	1.9%
Wed Mar 01	18:30	USD Personal Income (JAN)	Medium		0.3%	0.3%
Wed Mar 01	20:00	CAD Bank of Canada Rate Decision (MAR 01)	High		0.50%	0.50%
Wed Mar 01	20:00	USD ISM Manufacturing (FEB)	High		56.2	56.0

Source: Forex Factory, DailyFX

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