

Gold

Technical

Gold markets continue to look at the \$1300 level as being important. The US dollar has been strengthening, so that has put bearish pressure on gold. It will be interesting to see what happens at the \$1300 level but breaking down below there should send this market to the \$1275 level. That is an area that is supportive as well, so will be interesting to see what happens there as well. Eventually gold will rally, but this summer could be rather difficult for gold as the US dollar looks likely to be very strong. Longer-term though, it is a market that you should be buying, and not selling. Stay away from leverage, it is going to be the killer. For a longer-term supportive candle, perhaps on the daily or even the weekly chart. If it can break above the \$1320 level, then the market can pick up the upward momentum. Until then, I need to see a longer-term candle to show signs of bottoming.

Pivot:	1,305		
Support	1,301	1,299	1,296
Resistance	1,312	1,316	1,319

Source: FX EMPIRE

Highlights

- Gold ends lower for second straight session, held in check by surging Dollar
- It must be the dollar which is providing the major influence on gold's direction
- Gold has held its own relatively better than the euro in the dollar's slipstream, as there is a degree or two of safe haven flows into the precious metal
- In 2018, gold will deliver its strongest annual price performance in five years
- Spot gold may revisit its May 1 low of \$1,301.51 per ounce as it twice failed to break resistance at \$1,317

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 slipped today, as the dollar regained ground after briefly dipping earlier following Trump's decision to pull out of the Iran nuclear deal. Whereas gold prices were flat following a brief increase yesterday after the U.S dollar backed down from a new 2018 high.
- Spot gold fell 0.2 percent to \$1,311.81 per ounce. U.S gold futures for June delivery slipped 0.1 percent to \$1,312.40 per ounce. The dollar index, which measures the greenback against a basket of six major currencies, was up 0.1 percent at 93.199.
- Trump and Chinese President discussed ongoing trade issues, as both sides continue to position themselves amid a heated feud over tariffs between the world's two largest economies.
- A stronger-than-expected rebound in German industrial output in March and an increase in exports in the same month helped to ease concern yesterday that growth in Europe's biggest economy had come to a standstill at the start of the year.
- U.S President Donald Trump is expected to announce that he is pulling out of the Iran nuclear deal, after they struggled to persuade him that the accord has halted Iran's nuclear ambitions.
- The decisions to leave the accord should raise risk aversion in the broader markets, helping gold, seen as a safe asset that holds its value in times of geopolitical turmoil, though bullion is still pressured by a stronger dollar.
- Against a commodity basket, the greenback earlier surged to a 2018 high helped by safe haven flows linked to the Trump announcement on Iran and as expectations that other major central banks would follow the footsteps of the U.S Federal Reserve in normalising monetary policy have been dashed.

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 markets has gone sideways yesterday as it await the decision from Donald Trump as to what to do about the Iranians. If he clamps down on the Iranians, it's likely that it will go higher. Beyond that, the uptrend is very much in fact, so it could probably go to the \$72.50 level above. The short-term pullbacks are buying opportunities, down to at least the \$67 level. The \$67 level is massive support, as well as the uptrend line underneath. The strengthening US dollar could cause issues, and a downward pressure. Brent markets also have gone sideways in anticipation of what the Americans may do to the Iranians, and at this point it's likely that some type of reaction to this announcement will be the next catalyst. There is plenty of support down to the \$77.50 level, which has been so important over the last couple of weeks.

Pivot:	70.90		
Support	70.00	69.25	68.35
Resistance	71.75	72.30	72.85

Source: FX EMPIRE

Highlights

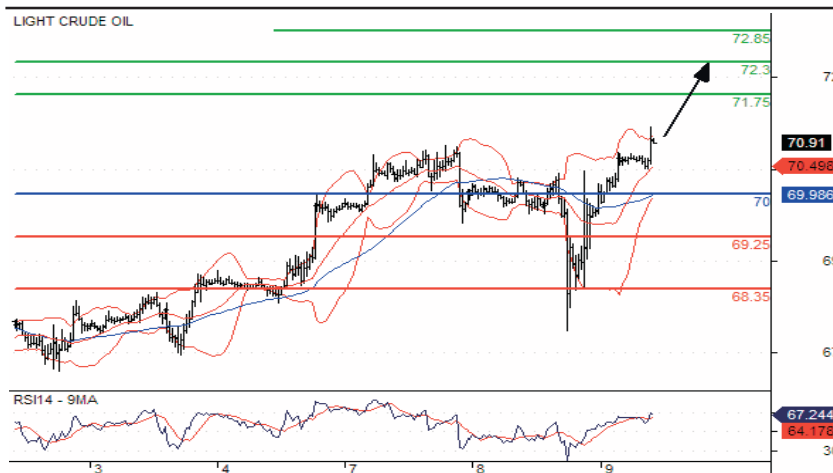
- Oil topped \$71 as investors digest U.S exit from Iran deal
- The U.S EIA raised its 2018 and 2019 forecasts on U.S crude-oil production
- The highest level of economic sanctions against the country, which could eventually hit global oil supplies
- Oil futures did cut some of their earlier losses to finish off session lows
- The biggest single buyer of Iranian oil, Shanghai crude futures hit their strongest in dollar terms since they were launched in late May

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 rose more than 3 percent today, hitting 3-1/2-year highs, after U.S President abandoned a nuclear deal with Iran and announced the "highest level" of sanctions against the OPEC member. Some demand curtailment above \$70 oil prices and that U.S producers will incrementally increase drilling, which will limit the potential run up in prices.
- Trump pulled out of an international agreement with Iran that was agreed in late 2015, raising the risk of conflict in the Middle East and casting uncertainty over global oil supplies at a time when the crude market is already tight.
- Brent crude oil touched its highest since November 2014 at \$77.20 a barrel. The benchmark contract was up \$2.00 a barrel, or more than 2.6 percent, at \$76.85. U.S light crude was up \$1.90 a barrel, or almost 2.8 percent, at \$70.96, near highs also last seen in late 2014.
- Iran's exports of oil to Asia and Europe will almost certainly decline later this year and into 2019 as some nations seek alternatives in order to avoid trouble with Washington and as sanctions start to bite.
- Iran re-emerged as a major oil exporter in 2016 after international sanctions against it were lifted in return for curbs on its nuclear program, with its April exports standing above 2.6 million barrels per day.
- The EIA increased its 2018 domestic crude production forecast by 0.3% to 10.72 million barrels per day. It also lifted its 2019 output forecast by 3.6% to 11.86 million barrels a day.
- A range of between \$60 and \$70 per barrel for WTI this year, and expects that oil prices could pull back as it becomes obvious that Iranian production is not likely to decline significantly.

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 went sideways in general, as Tuesday proved to be somewhat more of the same as the \$16.50 level has offered a significant resistance. The market probably will continue to drift a little bit lower, but the \$16 level underneath is the “floor” in the market. Silver tends to be very volatile and sensitive to the greenback, and with a very dollar positive summer for the greenback, silver will continue to be very sluggish to say the least. The market will still respect the \$15.50 level underneath as the major “floor” in the longer-term consolidation area, so that it will break down below there anytime soon. It would keep leverage low which is sound advice in silver to begin with. Silver is extraordinarily volatile under the best the conditions. There is high demand for silver, but this market is extraordinarily manipulated to the downside by various banks.

Pivot:	16.37		
Support	16.25	16.19	16.11
Resistance	16.51	16.58	16.65

Source: FX EMPIRE

Highlights

- Silver stocks fell overnight as global tensions flared after President Trump pulled the U.S out of the nuclear deal with Iran
- Prices have pulled back a bit from session highs scored just after Trump started his speech
- Dollar has rallied for a fourth consecutive session, pressurizing emerging-markets pairs
- It is critical for the silver market bulls to keep their precious metal above
- Global equities have produced mixed results, while most precious metals are trading under pressure

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 fell today for the third straight day after failing to capitalize on the weakness in Asian stock indices, while the dollar advances against a basket of main currencies. Silver dipped to \$16.43 an ounce from the opening of \$16.45, with a session-high at \$16.50, and a low at \$16.41.
- Asian stocks fell today on geopolitical tensions after the US withdrew from the Iran nuclear deal. Whereas silver was up yesterday 0.2 percent at \$16.47 an ounce, earlier hitting close to a one-week low at \$16.30.
- Dollar's rise against a basket of major rivals heaped pressure on dollar-denominated commodities for they become costlier to holders of other currencies. A stronger U.S currency makes dollar denominated silver more expensive for overseas buyers, while higher Treasury yields tend to make silver, which does not pay interest, less attractive to yield seeking investors.
- The market instead has returned focus on the two key drivers for silver, which are bond yields and the dollar, and both are pointing the wrong direction from a higher silver perspective. The U.S pulling out of the agreement and sanctions against Iran being reapplied inject new uncertainty into an already unstable Middle East. That's bullish for safe-haven silver.
- The dollar index rose to a fresh 2018 peak while yields on the benchmark 10-year Treasury note breached the key 3 percent level. A series of U.S bond auctions this week could further push up yields and silver.
- Silver prices fell today, pressured lower by strength in the dollar and Treasury yields after the U.S withdrew from the nuclear deal with Iran, which kept prices within reach of two month lows.
- The U.S Dollar index is higher and hit a 4.5-month high overnight. The index is in a steep price uptrend and the greenback bulls have technical power to suggest more upside in the near 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	
12/01/2017	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

Wednesday, May 09, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed May 09	05:00	JPY Real Cash Earnings (YoY) (MAR)	Medium	0.8%	-0.5%	-0.8%
Wed May 09	10:00	JPY Leading Index CI (MAR P)	Medium	105.0	105.1	105.9
Wed May 09	10:00	JPY Coincident Index (MAR P)	Medium	116.4	116.4	116.0
Wed May 09	16:00	USD MBA Mortgage Applications (MAY 4)	Medium	-0.4%		-2.5%
Wed May 09	17:30	CAD Building Permits (MoM) (MAR)	Medium			-2.6%
Wed May 09	17:30	USD Producer Price Index Final Demand (MoM) (APR)	Low		0.2%	0.3%
Wed May 09	19:00	USD Wholesale Inventories (MoM) (MAR F)	Low		0.6%	0.5%
Wed May 09	19:30	USD DOE U.S. Crude Oil Inventories (MAY 4)	Medium			6218k
Wed May 09	19:30	USD DOE U.S. Distillate Inventory (MAY 4)	Low			-3900k

Source: Forex Factory, DailyFX

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