

Gold

Technical

Gold sold off yesterday, as it continue to see a strengthening US dollar. It is below the \$1300 level, which has been important more than once in the past. Because of this, Economists think it will continue to see a lot of volatility and selling pressure. However, there are couple of support level underneath that need to pay attention to, whether it is bullish or bearish. The next support level is the \$1275 level, so it would see a bit of a bounce from there. Obviously, the psychologically important \$1300 level above should be resistance, and a break above there would be a very positive sign. Most of what it is seeing in the precious metals markets has to do with the US dollar more than anything else, and that will continue to be the case. If the US dollar continues to strengthen, that of course is bad for gold, and will show itself on this chart with a lower pricing.

Pivot:	1,293		
Support	1,283	1,279	1,273
Resistance	1,297	1,301	1,305

Source: FX EMPIRE

Highlights

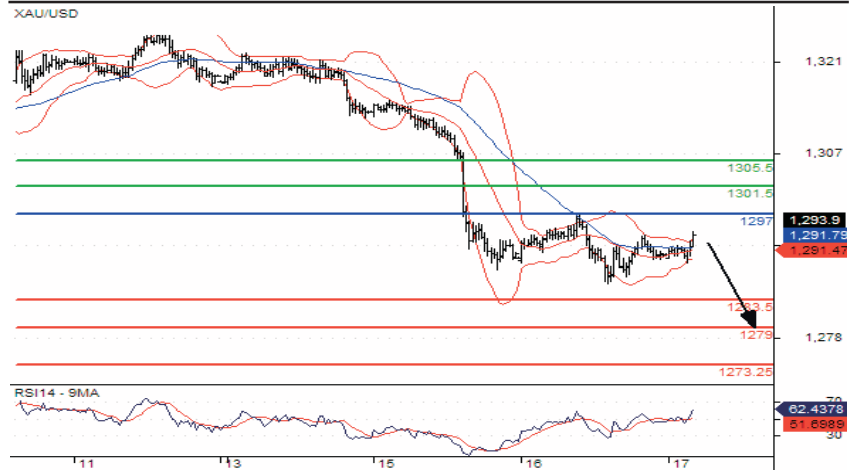
- Gold futures finished slightly higher yesterday, after the metal got pummeled below \$1,300 an ounce to post its lowest settlement of the year
- If gold gets below \$1,280/oz, that opens the door to massive technical selling
- Gold prices can gain during times of uncertainty as the metal is seen as a safe place to park assets
- The yellow metal has fallen below major technical support at \$1,300
- Gold yields nothing, and in a rising rate environment, yielding bonds look way more attractive

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 made modest gains today after touching their lowest level this year in the previous session, amid geopolitical uncertainty and a slightly weaker U.S dollar.
- Spot gold had risen 0.25 percent to \$1,293.43 per ounce, after marking its lowest since Dec. 27 in the previous session at \$1,286.20. U.S gold futures for June delivery were 0.1-percent higher at \$1,292.80 per ounce.
- The dollar slipped versus major rivals today after it hit a 2018-peak overnight, while the euro hovered near a five-month low on concerns that political developments in Italy could cause wider disruptions in the common currency bloc.
- The tug-of-war between risk appetite and dollar-strength will be key in determining how gold may move. We have already seen some potential safe-haven buying given the potential breakdown in U.S, despite a stronger greenback.
- Meanwhile, weighing on upward momentum for gold were surging U.S bond yields, with the yield on the benchmark 10-year note hitting its highest level since 2011 on signs the economy was strengthening.
- Further gold weakness cannot be fully discounted, as the stronger U.S Treasury yields seen could garner more dollar strength into the month ahead. The recent jump in Treasury yields and strength in the greenback had served to undercut appetite for precious metals in recent sessions.
- A stronger dollar makes greenback-denominated gold more expensive for holders of other currencies, while higher U.S bond yields weigh on the appeal of non-yielding bullion. The dollar is strengthening and the growing expectation for a rise in U.S rates is hitting gold prices, pushing down the yellow metal.

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 has gone sideways overall yesterday, as it continue to consolidate near the \$71 level. The \$70 level underneath is the bottom of the range, and of course the support of this rectangle. If it can break above the \$72 level frees this market to higher levels, but in the meantime that short-term pullbacks are buying opportunities. It's not until it break down below the \$69 level that it would be concerned, and even then that the \$67 level would also be supported. Economists think that the recent consolidation is simply the market trying to build up the necessary momentum to go higher. Brent markets fell initially yesterday, but then turned around the show signs of life. The \$78.50 level offer and resistance make sense, but there is still plenty of support underneath at the \$77 level. The market will probably reach towards the \$80 level.

Pivot:	71.68		
Support	70.70	70.30	70.00
Resistance	71.90	72.30	72.55

Source: FX EMPIRE

Highlights

- Oil prices finished higher with U.S supplies down a second week in a row
- Crude inventories mustered a draw, as refining activity increased and net imports remain suppressed amid rampant crude exports
- Prices were little changed after the data. U.S crude fell 15 cents to \$71.16 a barrel
- The EIA showed a rise in last week's crude-oil exports to 2.566 million barrels a day, from 1.877 million barrels a day a week earlier
- OPEC and its allies are cutting production by about 1.8 million barrels per day

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

- U.S crude oil stockpiles fell last week as exports hit a record high and refinery ramped up output, while gasoline inventories dropped more than expected ahead of the summer driving season, the EIA said yesterday.
- Crude inventories fell 1.4 million barrels in the week to May 11, compared with analysts' expectations for a decrease of 763,000 barrels. Oil prices settled with a gain yesterday, with the U.S. benchmark making a last minute turn higher.
- Net U.S crude imports fell 411,000 barrels per day as exports rose to a record 2.6 million bpd, benefiting of late from the widening spread between U.S crude oil and global benchmark Brent, which responds more to world supply outlook.
- Crude production continued to grow to record highs, rising 20,000 bpd to 10.72 million bpd last week, the EIA said, though weekly figures are considered less reliable than monthly data. The United States in February produced 10.3 million bpd, a record.
- Refinery crude runs rose by 149,000 bpd, while refinery utilization rates rose by 0.7 percentage points to 91.1 percent of overall capacity. U.S Midwest refinery utilization rates increased last week to 96 percent of capacity, the highest since at least 2010 seasonally.
- The four OPEC delegates said the latest rise in prices stemmed more from concern about U.S sanctions on Iran and tension in the Middle East, rather than a suddenly tighter balance between oil supply and demand.
- Since last year, oil has been supported by a deal by the OPEC plus Russia and other non-members, to cut output. Prices have risen about 40 percent since the accord began in January 2017.

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 back and forth during the day yesterday, and that it could be a sign that starting to see a bit of stability after a massive selloff. The \$16 level underneath is very supportive, as it has been important on longer-term charts. A break down below the \$16 level allows this market to unwind to the \$15.50 level. That is the bottom of the multi-year consolidation area, and therefore that the buyers will return in that area. However, in the short term it might not even get that low. If it can break above the \$16.35 level, it is likely to see this market go looking towards the \$16.80 level again. The US Dollar Index should be paid attention to, as the US dollar strength has been paying the most attention to when it comes to precious metals lately. Economists think that as the US dollar rallies, that will continue to weigh upon gold. It makes sense that it would continue to see a lot of choppiness.

Pivot:	16.40		
Support	16.22	16.16	16.11
Resistance	16.45	16.55	16.66

Source: FX EMPIRE

Highlights

- Silver prices climbed today as the dollar slipped after climbing to this year's high
- If the US dollar continues to strengthen, that of course is bad for silver
- The surging U.S dollar has been a major factor which lent just a bit of support to the precious metals
- Silver prices turned positive as both the dollar and U.S bond yields fell from their highs
- The U.S dollar index that tracks the greenback against a basket of six major currencies last stood at 93.12, down 0.16%

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 was up 0.4 percent at \$16.41 an ounce, after touching the lowest in two weeks at \$16.17 in the previous session. Silver are seeing follow-through selling pressure after strong losses. July Comex silver was last down \$0.044 at \$16.225 an ounce.
- The surging U.S dollar is a major factor working against the precious metals market bulls over the past few weeks. The U.S dollar index hit another five-month high overnight. It's important to remember that trends in the currency markets tend to be stronger and longer-lasting than price trends in other markets.
- The silver bulls need a dose of geopolitical unrest to wrestle their metals away from the grip of the appreciating greenback. Any tensions in the currency markets would likely prompt safe-haven demand for silver.
- The Euro zone consumer price index for April came in at up 0.3% from March and up 1.2%, year-on-year. Those numbers were in line with market expectations. Japan's first-quarter GDP showed a growth rate of -0.2%, which was below forecasts for no change in growth.
- Silver futures due on July 15 rose 0.93% to \$16.420 an ounce from the opening of \$16.269, while the dollar index rose 0.07% to 93.29 from the opening of 93.22.
- Earlier US data showed housing starts fell 1.8% in April to an annualized 1.352 million units, compared to a 4.1% rise in March to 1.377 million, while analysts expected a 2.1% dip to 1.350 million.
- Building permits fell 3.7% to 1.287 million, compared to a 3.6% rise to 1.336 million in March, while analysts expected a 0.7% dip to 1.310 million. While US industrial production rose 0.7% in April, same as March and beating expectations of a slowdown in growth to 0.6%.

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

Thursday, May 17, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs May 17	04:50	JPY Housing Loans (YoY) (1Q)	Medium	2.7%		2.8%
Thurs May 17	04:50	JPY Machine Orders (YoY) (MAR)	Medium	-2.4%	0.3%	2.4%
Thurs May 17	06:00	AUD Consumer Inflation Expectation (MAY)	Medium	3.7%		3.6%
Thurs May 17	06:30	AUD Employment Change (APR)	High	22.6k	20.0k	-0.7k
Thurs May 17	06:30	AUD Unemployment Rate (APR)	High	5.6%	5.5%	5.5%
Thurs May 17	17:30	USD Initial Jobless Claims (MAY 12)	Medium		215k	211k
Thurs May 17	17:30	USD Continuing Claims (MAY 5)	Medium		1780k	1790k
Thurs May 17	17:30	USD Philadelphia Fed Business Outlook (MAY)	Medium		21	23.2
Thurs May 17	19:00	USD Leading Index (APR)	Medium		0.4%	0.3%

Source: Forex Factory, DailyFX

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