

Gold

Technical

The Gold markets rallied significantly during the trading session yesterday, slicing through the vital \$1300 level, the previous uptrend line, and the vital \$1305 level. Ultimately, the market could go as high as \$1325, especially if it get some type of geopolitical issue or perhaps some type of selloff in the US dollar. The US dollar and gold can rally at the same time. Ultimately, Economists think that the \$1300 level should be a bit of support now, and it anticipate that it will continue to see buyers jump into this market on short-term pullbacks, and that it should continue to see plenty of interest in gold as it had been oversold and had recently formed a bit of a basing pattern. Based upon the measurement of the pattern, it's likely that it could go to the \$1325 level at the very least. The market will eventually reach that level but could even go higher than that.

Pivot:	1,302		
Support	1,298	1,293	1,288
Resistance	1,307	1,311	1,315

Source: FX EMPIRE

Highlights

- Gold prices surged yesterday, propelled above \$1,300 per ounce as the U.S dollar faded
- Gold settled above \$1,300 an ounce, for the first time in about a week and a half
- Gold was also buoyed by a weaker dollar, which slipped to a near two-week low against the Japanese yen, and lower U.S Treasury yields
- The Fed meeting minutes that appear to be less hawkish on interest rates
- The yellow metal has not settled above \$1,300 since May 14 and has been mostly under pressure amid a rising dollar

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 eased today amid a firmer dollar, after breaking above \$1,300 in the previous session as U.S President Donald Trump's decision to call off a meeting with North Korean leader Kim Jong Un triggered safe-haven buying.
- Spot gold was down 0.2 percent at \$1,302 per ounce, as it was slightly firmer but had been losing ground for weeks, shedding 5 percent since touching \$1,365.23 on April 11, the highest in nearly three months. U.S gold futures for June delivery eased 0.2 percent to \$1,301.90 per ounce.
- The dollar index, which measures the greenback against a basket of six major currencies, was up 0.1 percent at 93.846. It was up 0.2 percent versus the yen after hitting a more than two-week low in the previous session.
- President Trump's threat to impose tariffs on auto imports drew strong criticism abroad and at home where U.S business groups and members of his own Republican Party warned of damage to the industry and raised the prospect of a global trade war that would harm American interests. Gold got momentum on news the North Korea meeting was canceled, as it's a struggle to find any gold-negative news at the moment.
- Trump called off a summit with North Korean leader Kim Jong Un scheduled for next month, citing Pyongyang's "open hostility" and warned that the U.S military was ready in the event of any reckless acts by North Korea.
- The U.S Federal Reserve and Bank of England urged global financial markets to step up efforts to shift from the scandal-plagued Libor reference rate to alternative interest rate benchmarks.
- Funds had cut long positions in gold to a 10-month low, but the move back above key technical levels of \$1,300 and \$1,305 was spurring a rush by speculators into bullion.

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 fell initially during the day yesterday, reaching down to the \$70.50 level. It found enough support there to turn around of form a hammer on the hourly chart, and that is the beginning of significant support extending down to the \$70 level. Ultimately, if it bounce from here, it's only a matter of time before it bounce towards the upside, perhaps towards the \$72 level, and then eventually the \$73 level. Economists believe that the \$70 level underneath is massive support, and it seems unlikely that it will break down below there anytime soon. Brent markets pulled back initially during the day, reaching towards the \$70.50 level before bouncing a bit. Market players think that the \$80 level above is going to be resistance, and if it can break above that level and perhaps even more importantly the \$80.50 level, the market should continue to go much higher.

Pivot:	70.67		
Support	70.25	70.00	69.80
Resistance	71.20	71.45	71.75

Source: FX EMPIRE

Highlights

- U.S oil prices marked 3rd straight drop, settle at nearly 2 - week low
- Russia and OPEC benefit from higher oil prices, which have risen by almost 20% since the end of last year
- U.S crude oil production has risen by more than a quarter in the last two years, to 10.73 million bpd
- Geopolitical risks remain the largest factor keeping oil markets on edge
- Production in Venezuela has also plunged to its lowest level in decades

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 eased today as Russia hinted it may gradually increase output, after having with held supplies in concert with producer cartel OPEC since 2017. An increase on production will be discussed in the June OPEC meeting.
- Oil finished sharply lower yesterday as worries about U.S crude inventories helped to extend the U.S benchmark's downturn for a third straight session, hitting the lowest finish in about two weeks.
- Brent crude futures were at \$78.63 per barrel, down 16 cents from their last close, and more than 2.2 percent below the \$80.50 multi-year high they reached on May 17. Brent broke through \$80 for the first time in more than three years earlier in May. U.S West Texas Intermediate crude futures were at \$70.60 a barrel, down 11 cents from their last settlement.
- Oil prices are now starting to drift a little, this was due to OPEC's and Russia's "moves toward an increase in production" at a meeting scheduled for next month.
- The Middle East dominated Organization of the Petroleum Exporting Countries (OPEC) as well as a group of non-OPEC producers led by Russia started withholding output in 2017 to tighten the market and prop up prices.
- Russia, in particular, has been floating a potential end to the production cuts, that restrictions on oil production could be eased "softly" if OPEC and non-OPEC countries see the oil market balancing in June.
- Oil prices however, look primed to withstand the slip as heightened geopolitical risks from the Middle East, and raised prospects of a supply squeeze in Venezuela and Iran permeates global market sentiment.

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 rallied significantly during the trading session yesterday, reaching towards the vital \$16.60 level. The market breaking above that level would be very bullish, but it will probably see some type of short-term pullback before that happens. It has gotten a bit ahead of ourselves, so Economists think that the market probably needs to pullback to build up the necessary momentum. While the \$16.50 level underneath is support, and of course the short-term uptrend line that it can see on the hourly chart. The \$16 level begins a massive support zone down to the \$15.50 level underneath, which is a major support level for the market on longer-term charts, and that it will remain above there. If it was to break down below the \$15.50 level, that would be very impressive by the sellers. Otherwise, buying physical silver on dips to hang onto for investments is also a very fair way.

Pivot:	16.59		
Support	16.50	16.40	16.29
Resistance	16.68	16.75	16.83

Source: FX EMPIRE

Highlights

- Silver prices slipped today as the dollar firmed against the other major currencies
- July comex silver was last up \$0.155 at \$16.56 an ounce
- This week the greenback climbed to its highest level for the year when the index hit 94.10 on Wednesday night
- The rise in geopolitical uncertainty renewed appetite for safe-haven silver
- A slump in the dollar amid fading expectations for more aggressive U.S monetary policy tightening also sparked further upside in the precious metal

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



Commodity News

Friday, May 25, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri May 25	13:00	EUR German IFO Expectations (MAY)	Medium		98.5	98.7
Fri May 25	13:30	GBP Gross Domestic Product (YoY) (1Q P)	High		1.2%	1.2%
Fri May 25	13:30	GBP Total Business Investment (YoY) (1Q P)	Low			2.6%
Fri May 25	17:30	USD Durable Goods Orders (APR P)	High		-1.4%	2.6%
Fri May 25	17:30	USD Durables Ex Transportation (APR P)	Medium		0.5%	0.1%
Fri May 25	18:20	USD Fed's Powell Speaks on Financial Stability and Transparency	High			
Fri May 25	19:00	USD U. of Mich. Sentiment (MAY F)	Medium		98.8	98.8
Fri May 25	19:00	USD U. of Mich. 5-10 Yr Inflation (MAY F)	Medium			2.5%
Fri May 25	22:00	USD Baker Hughes U.S. Rig Count (MAY 25)	Medium			104

Source: Forex Factory, DailyFX

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