

Gold

Technical

Gold prices surged higher in yesterday's trading session, climbing to test a resistance near the September lows at 1,308. Election jitters and a weaker U.S. Dollar continues to allow gold prices to gain traction. Support on the yellow metal is seen near the 10-day moving average at 1,275. Momentum remains positive as the MACD (moving average convergence divergence) index is printing in the red with an upward sloping trajectory which points to lower prices. The RSI (relative strength index) moved higher with price action breaking through resistance levels reflecting accelerating positive momentum. The decline in the U.S. Dollar has been generated by higher relative yields in Europe compared to U.S. yields. As the differential moves against the greenback, it declines allowing precious metals prices to further gain a toe hold and move higher.

Pivot:	1,301		
Support	1,292	1,285	1,279
Resistance	1,310	1,318	1,325

Highlights

- Gold prices zoomed above \$1,300 per troy ounce during Asia trading hours today
- New opinion polls showed Donald Trump closing the gap with Democrat Hillary Clinton in the U.S. presidential election
- The possibility of a Trump win next week has fanned gold demand since Monday
- Bearish sentiment sparked by the expectation that the U.S. Federal Reserve will raise its key benchmark rate in December
- The U.S. Federal Reserve left interest rates unchanged, as expected

Gold - Technical Indicators

RSI 14	46.80
SMA 20	1,361.96
SMA 50	1,299.70
SMA 100	1,320.14
SMA 200	1,287.88

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold rose today in Asian trading session as uncertainty over the outcome of the U.S. election upheld the safe-haven demand for bullion and weakened the dollar, offsetting signals from the Federal Reserve that it could hike interest rates next month.
- Spot gold rose 0.5 percent to \$1,303.42 an ounce. The yellow metal touched a high of \$1,307.76 in the previous session, its best since Oct 4. U.S. gold futures were down 0.3 percent at \$1,304.70 per ounce.
- Some people think that Donald Trump would become the U.S. president and if that happens it is negative for the U.S. dollar and positive for gold. On the other hand, the U.S. dollar has been rising for almost a month and it needs some technical correction.
- Narrowing polls have led markets to price in more risk that Republican Donald Trump might defeat his Democratic rival Hillary Clinton in next week's contentions U.S. presidential election, perhaps remembering the turmoil that followed the surprise Brexit vote.
- The dollar nursed its losses today as election concerns overshadowed this week's signals from the Fed that it was on track to hike interest rates next month as the economy gathers momentum and inflation picks up.
- The dollar index, which measures the greenback against a basket of currencies, fell 0.3 percent to 97.148. Gold is highly sensitive to rising rates, which lift the opportunity cost of holding non-yielding assets such as bullion, and also boost the dollar, making the metal more expensive for those holding other currencies.
- Nonfarm payrolls data on Friday and U.S. election on Tuesday should provide plenty of volatility. The key nonfarm payrolls report will be released on Friday. Employers are expected to have added 175,000 jobs in October, according to the median estimate of 106 economists polled.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
5/17/2016	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
5/24/2016	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
5/31/2016	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
6/07/2016	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

WTI crude oil prices tumbled in yesterday's trading session following a report from the Department of Energy that showed the largest increase in weekly inventories reported in the agencies history. The 14-million-barrel increase was largely due to a surge in imports, which increased to a whopping 9-million barrel per day. Prices sliced through and upward sloping trend line that connects the lows in July to the lows in September and comes in near 46.05, which is now seen as resistance. Target support is seen near the September lows at 42.50. Momentum remains negative as the MACD (moving average convergence divergence) prints in the red with a downward sloping trajectory which points to lower prices. The RSI (relative strength index) move lower with price action, breaking through support which reflects accelerating negative momentum.

Pivot:	45.72		
Support	45.00	44.45	43.75
Resistance	46.87	47.35	48.23

Highlights

- Oil prices fell after data showed the biggest weekly U.S. crude surplus on record
- The supply data prompted investors to reduce expectations that two years of oversupply in the oil markets is coming to an end
- Crude futures fell \$1.33, or 2.9%, to \$45.34 a barrel on the NYMEX
- The U.S Energy Information Administration said crude-oil stockpiles rose by 14.4 million barrels in the week ended Oct. 28
- Oil has now fallen 12% in just two weeks since hitting a one-year high on Oct. 19

Crude - Technical Indicators

RSI 14	50.58
SMA 20	50.32
SMA 50	47.39
SMA 100	46.24
SMA 200	45.08

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Crude oil futures edged up today, supported by news of an attack on a Nigerian oil pipeline and a weaker U.S. dollar, after four days of falls over scepticism that a global glut in crude supplies could be stemmed. U.S. crude was up 28 cents, or 0.6 percent, at \$45.62 per barrel.
- Futures hit five-week lows on Wednesday after data showed stocks of oil in the United States had risen by a record amount last week, adding negative sentiment to doubts whether OPEC has the stomach to cap record crude production.
- Today earlier in the Asian session, prices were underpinned by concerns about supply disruptions after militants in Nigeria's southern Niger Delta oil hub attacked a pipeline operated by the Nigerian National Petroleum Corporation yesterday.
- Following a host of negative news, which culminated with another erratic U.S. inventory report, oil has stabilised and moved higher, driven by short-covering and the sense that it may have become too pessimistic about an OPEC deal being reached.
- A softer dollar also buoyed prices by making dollar-denominated oil less costly for importing countries. The dollar slipped for a third session as positioning for next week's U.S. presidential election overshadowed the Federal Reserve's latest review, in which policymakers signalled they were on track to hike rates next month.
- The Organisation of the Petroleum Exporting Countries (OPEC) meets on Nov. 30 to agree a production cut after two years of global oversupply and low prices that have hurt states' budgets. But many market watchers are sceptical that a concrete deal can be reached or enforced. U.S. crude stockpiles soared by more than 14 million barrels last week.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
5/17/2016	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
5/24/2016	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
5/31/2016	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
6/07/2016	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 on Wednesday, breaking above the \$18.50 handle. This is an area that should be somewhat resistive though, so I am a bit hesitant to start going long now but I think pullbacks that show signs of support could be buying opportunities below. I think the \$18 level will most likely be supportive, so I would be very interested at that point. There is a lot of noise just above, so it's very difficult to imagine a scenario where I would be buying at these high levels as there is too much difficulty. Yesterday's FOMC meeting helped put a lid on the advance, with silver backing off from just above the 9/16 low and closing just north of the 8/29 low. This price action resulted in a bearish rejection bar, which we are seeing follow-through on so far today. There is support by way of the recaptured January trend-line down to around 18 (currently testing).

Pivot:	18.22		
Support	18.10	17.91	17.72
Resistance	18.51	18.64	18.74

Highlights

- silver futures for December delivery shed 20.1 cents, or 1.08%, to \$18.49 a troy ounce during Asian session
- The Federal Reserve signaled it could hike interest rates in December
- The uncertain U.S election continued to cloud the market's outlook
- The Fed kept interest rates unchanged in yesterday's session in its last policy decision before the U.S election
- Tomorrow the key U.S nonfarm payrolls report will be released

Silver - Technical Indicators

RSI 14	43.08
SMA 20	17.58
SMA 50	18.56
SMA 100	19.18
SMA 200	17.82

Silver Daily Graph



Fundamentals

- Silver prices were trading higher today in Asian session, building off the previous day's breakout as markets awaited a key policy statement from the US central bank.
- December silver futures rose 9 cents, or 0.5%, to \$18.51 a troy ounce, a fresh one-month high. The contract traded within a daily range of \$18.36 and \$18.57. Silver prices spiked 3.5% on Tuesday as the US dollar fell and risk aversion returned to the financial markets.
- Asian markets finished sharply lower yesterday, while European stocks were also poised for losses. US stock futures were trading mixed-to-lower in pre-market activity.
- The US dollar was down 0.3% against a basket of other major currencies and was on pace for its second consecutive decline. The dollar index fell 0.8% on Tuesday.
- The Fed kept interest rates unchanged yesterday in its last policy decision before the U.S. election, but signaled it could hike in December as the economy gathers momentum and inflation picks up.
- Investors were pricing in around a 60% chance of a rate hike next month, according to Investing.com's Fed Rate Monitor Tool. On Friday, the key U.S. nonfarm payrolls report will be released, and could reinforce or undermine those hike bets.
- The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, was down 0.3% at 97.12 early Thursday, after falling to 97.08 earlier, the weakest level since October 11.
- Enthusiasm for Hillary Clinton has ebbed since the renewal of the FBI's email investigation late last week.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
5/17/2016	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
5/24/2016	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
5/31/2016	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
6/07/2016	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Thursday, November 03, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Nov 03	15:00	EUR Euro-Zone Unemployment Rate (SEP)	Medium		10.0%	10.0%
Thu Nov 03	17:00	GBP Bank of England Rate Decision (NOV 3)	High		0.25%	0.25%
Thu Nov 03	17:00	GBP BOE Asset Purchase Target (NOV)	High		435b	435b
Thu Nov 03	17:00	GBP Bank of England Inflation Report	High			
Thu Nov 03	17:30	USD Initial Jobless Claims (OCT 29)	Medium		255k	258k
Thu Nov 03	17:30	USD Continuing Claims (OCT 22)	Medium		2045k	2039k
Thu Nov 03	19:00	USD ISM Non-Manufacturing Composite (OCT)	High		56	57.1
Thu Nov 03	19:00	USD Factory Orders (SEP)	Medium		0.2%	0.2%
Thu Nov 03	19:00	USD Durable Goods Orders (SEP)	Medium		-0.1%	-0.1%

Source: Forex Factory, DailyFX

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