

## Gold

### Technical

Gold prices remained unchanged on Friday but elevated as a softer than expected non-farm payroll report eased U.S. rates allowing the dollar to move lower and gold prices to remain buoyed. Support on the yellow metal is seen near the 10-day moving average at 1,281. Resistance is seen near the September lows at 1,308. Momentum remains positive as the MACD index prints in the black with an upward sloping trajectory which points to higher prices. U.S. non-farm payrolls increased by 161K jobs in October compared to expectations of 170K. There were revisions to August and September that totalled 41K jobs. The unemployment rate fell to 4.9% from 5%, but some of this came from a drop in the participation rate. Hourly earnings also increased to 2.8% year over year which gives the Fed the ammunition to increase rates in December.

Pivot:	1,285		
Support	1,279	1,271	1,265
Resistance	1,295	1,300	1,308

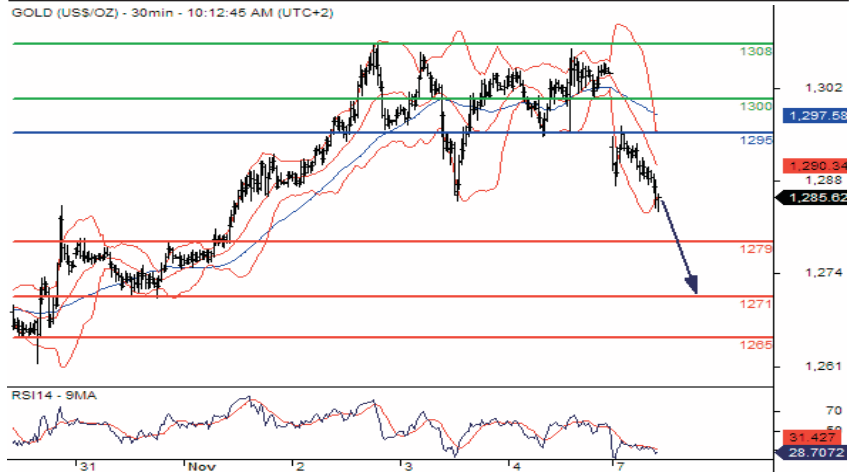
### Highlights

- Gold futures slid more than 1% today, as haven assets took a hit
- Strong U.S. jobs data in October showed continued progress towards the Fed's goals
- The Federal Bureau of Investigation said it won't bring fresh charges against Hillary Clinton over a batch of newly discovered emails
- Gold for December delivery slid \$18.40, or 1.4%, to \$1,286 an ounce
- Gold has been gaining on the view that a Trump victory could trigger volatility and put a U.S. interest-rate hike on hold

### 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 prices fell today in Asian session as the dollar and stocks rallied, after federal investigators cleared Democrat Hillary Clinton of criminal charges related to her use of a private email server, just two days before the U.S. presidential election.
- The Federal Bureau of Investigation (FBI) said on Sunday it stood by its earlier finding that no criminal charges were warranted against presidential candidate Clinton for using a private email server for government work.
- Uncertainty over the outcome of the U.S. election after the FBI probe had boosted the safe-haven appeal of gold, sending prices 2 percent higher last week.
- I think the news has just taken a bit of the heat out of that safe-haven buying for gold that emerged last week after Republican candidate Donald Trump gained in a lot of polls in the U.S. Gold prices are going to hover around \$1,290-\$1,300 for the next couple of days.
- If Clinton wins there's going to be a further correction in prices and gold may even go down to \$1,250. We say this because we see a strong correlation between gold prices and Trump's popularity in the polls.
- The reopening of the probe by the FBI narrowed Clinton's lead over Trump, polls showed last week, rattling financial markets that had been pricing in a Clinton victory and driving up gold prices to a one-month high on Thursday.
- Spot gold was down 1.13 percent at \$1,289.04 an ounce by 0712 GMT, after hitting a low of \$1,287.73 earlier in the session. U.S. gold futures fell 1.16 percent to \$1,289.40 per ounce.
- Bullion - highly sensitive to rising rates - also came under pressure due to increasing odds of an interest rate hike in December by the U.S. Federal Reserve.

### 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 continued to move lower on Friday as it is poised to test support near an upward sloping trend line at \$43. Resistance for crude oil is seen near former support near an upward sloping trend line at 45.80. Friday Baker Hughes Rig count showed an increase which continued to weigh on prices. The only caveat is that the RSI (relative strength index) moved below the oversold trigger level of 30 and could foreshadow a correction. Momentum as reflected by the MACD (moving average convergence divergence) index is negative as the index prints in the red with a downward sloping trajectory which points to lower prices. According to Baker Hughes, the oil service giant, total operating rigs in the United States increased by 9 in the latest week. An increase in rigs points to additional production which should further weigh on prices.

Pivot:	44.99		
Support	43.54	42.95	42.63
Resistance	45.00	45.88	46.43

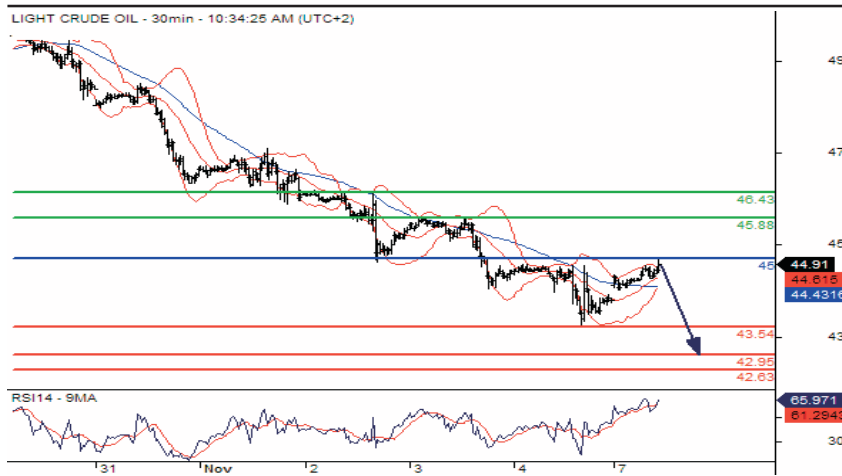
### Highlights

- Crude futures advanced in early Asian trade today on a technical rebound after falling to a six-week low on Friday
- Investors anxiously await the outcome of the U.S. presidential elections this week
- Crude for delivery in December traded at \$44.78 a barrel, up 1.6%, or \$0.71
- U.S voters will decide tomorrow between former Secretary of State and businessman as their next president
- Clinton victory tomorrow could help risk assets such as oil rebound sharply

### 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

- Oil rose more than 1 percent today, boosted by a commitment from OPEC to stick to a deal to cut output, but prices remained more than \$7 below last month's high due to persistent doubts over the feasibility of the group's plan.
- U.S. West Texas Intermediate (WTI) crude was up 75 cents, or 1.7 percent, at \$44.82 a barrel. The secretary-general of the Organization of the Petroleum Exporting Countries said the group was committed to an output-cutting deal made in Algiers in September.
- Despite this, many analysts doubt OPEC's ability to coordinate a cut sufficient to balance the market. Market belief that OPEC can reach a credible deal has collapsed and prices are now \$8 a barrel off the post-Algiers highs.
- Record OPEC production in October, infighting between Iran and Saudi Arabia, as well as calls from Iraq for its own exemption from any cut. The numbers show that the best deal OPEC are likely to come up with is well short of what is needed to achieve a balanced market in 2017.
- Oil futures posted their biggest weekly percentage decline since January last week with Brent falling as low as \$45.08, its weakest since Aug. 11, and WTI hitting \$43.57, its lowest since Sept. 20.
- There are also risks that the oil glut, which has dogged markets for over two years, could continue as OPEC's de-facto leader Saudi Arabia threatened to increase production.
- Even if Saudi Arabia does not follow through on that threat, its exports could rise. Saudi local oil demand is falling, and just maintaining current output could imply higher exports. There were also signs of rising future U.S. output as the number of drilling rigs looking for new oil rose by nine to 450 in the week to Nov. 4, the highest level since February.

### 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 fell initially during the day on Friday but turned around to form a hammer. This hammer sits just above the 38.2% Fibonacci level, and therefore looks to be supported by Fibonacci traders. If we can break above the top of the candle on Wednesday, I feel at that point we will then reach towards the \$19.25 handle. I still believe that the \$18 level below is massively supportive, so I don't have any interest in shorting this market. It's not until we break down below that level that I would consider selling silver, but it doesn't look likely at this point. Silver markets had a very strong week, and at one point in time popped above the \$18.50 level. The area above is resistive, so it makes quite a bit of sense that we have pullback. Ultimately though, if we can break above the top of the weekly candle this market should continue to go higher.

Pivot:	18.18		
Support	17.98	17.82	17.72
Resistance	18.34	18.47	18.64

### Highlights

- Silver performed strongly during the last week with a weekly gain of over 5%
- Sentiment of a move above \$18.00 level triggered further buying interest
- In November's statement, the Federal Reserve continued to indicate that a December rate hike was likely
- There was also a firm employment report, despite a headline miss in the increase in non-farm payrolls
- US Presidential election will be an important focus during the first half of this week

### 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

- The US employment data overall was firm, especially on earnings, but the dollar was unable to gain any traction from the data and silver prices maintain a firm underlying tone with net daily gains.
- Silver prices hit selling interest below \$18.40 per ounce late in US trading on Thursday and dipped lower in Asian trading on Friday, with lows around \$18.25 as markets looked to test recent ranges with some easing of underlying demand. There was choppy trading in Europe with weak oil prices tending to provide some net support to prices.
- The headline US employment report was slightly weaker than expected with an increase in non-farm payrolls of 161,000 for October compared to consensus expectations of around 175,000.
- There was, however, an upward revision to September's figure to 191,000 from 156,000 previously, and average earnings increased 0.4% on the month with an annual increase of 2.8% from 2.6% previously.
- The data overall kept the Fed firmly on track for an interest rate increase at the December meeting, especially in view of the firm data on earnings. There were comments from Atlanta Fed President Lockhart that the bar for the Fed not to tighten in December was pretty high.
- The dollar failed to gain any support from the US data or Fed comments as the US currency remained generally on the defensive with EUR/USD quickly trading back above the 1.1100 level.
- There were further concerns surrounding the US Presidential election, although there was also a suspicion that the dollar was suffering from a wider shift in positioning rather than specific election issues. The subdued dollar and upward pressure on bond prices provided support to silver prices.

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	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

Monday, November 07, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Nov 07	05:00	JPY Labor Cash Earnings (YoY) (SEP)	Medium	0.2%	0.2%	0.0%
Mon Nov 07	12:00	EUR German Factory Orders n.s.a. (YoY) (SEP)	Medium	2.6%	3.5%	2.0%
Mon Nov 07	13:15	CHF Consumer Price Index (YoY) (OCT)	Medium			-0.2%
Mon Nov 07	13:30	EUR Markit Germany Construction PMI (OCT)	Medium			52.4
Mon Nov 07	14:10	EUR Markit Germany Retail PMI (OCT)	Medium			53
Mon Nov 07	14:10	EUR Markit Eurozone Retail PMI (OCT)	Medium			49.6
Mon Nov 07	14:30	EUR Euro-Zone Sentix Investor Confidence (NOV)	Medium			8.5
Mon Nov 07	15:00	EUR Euro-Zone Retail Sales (YoY) (SEP)	Medium			0.6%
Mon Nov 07	20:00	USD Labor Market Conditions Index Change (OCT)	Low			-2.2

Source: Forex Factory, DailyFX

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