

Gold

Technical

Gold markets fell again on Monday, as the US dollar continues to strengthen. This is a direct reaction to the Donald Trump presidency, and as a result it looks like we will test the \$1200 level below. Any rally at this point in time has to be a selling opportunity on signs of exhaustion, a break down below the \$1200 level signals even further bearishness, and would have me “doubling down” on a move to the downside. I have no understand buying at the moment, at least not until we get some type of longer-term buy signal. Momentum has turned negative as the MACD index generated a sell signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses below the 9-day moving average of the spread. The index moved from negative to positive territory confirming the sell signal. The index is printing in the red with a downward sloping trajectory.

Pivot:	1,225		
Support	1,211	1,200	1,184
Resistance	1,238	1,251	1,270

Highlights

- Gold fell for the third straight session yesterday, reaching a 5-1/2-month low as the U.S Dollar strengthened
- The Dollar and Treasury yields strengthened on expectations that President-elect Donald Trump will boost U.S spending
- The Dollar rose for the sixth straight session, reaching an 11-month high
- The market is now betting on the Federal Reserve raising interest rates more quickly
- SPDR Gold Trust, the world's largest gold-backed exchange-traded fund

Gold - Technical Indicators

RSI 14	29.07
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 moved higher during Asian trading session today as investors snapped up bars and coins in a wave of physical buying after the precious metal slipped to its lowest level in nearly six months in the previous trading session.
- Spot gold was up 0.4 percent at \$1224.76 an ounce. The metal had slipped to its lowest since June 3 at \$1,211.08 an ounce on Monday. U.S. gold futures were up 0.25 percent at \$1,224.60.
- The metal has fallen nearly 9 percent from a Nov. 9 high of \$1,337.40 per ounce since U.S. President-elect Donald Trump's election win, as investors bet fiscal and trade policies under his administration would stoke inflation. Given such a sharp drop, the fall would be cushioned by physical demand pickups.
- It seems like Trump's increased spending will increase inflation expectations. The market sentiments are being compounded by the very high probability of the U.S. Fed raising interest rates in December.
- Markets are now anticipating a hike in U.S. interest rates in December. Dallas Fed President Robert Kaplan on Monday suggested the Federal Reserve is on track to raise U.S. interest rates soon.
- Gold is highly sensitive to rising rates, which lift the opportunity cost of holding non-yielding assets such as bullion, while boosting the dollar, in which it is priced.
- The dollar index was down 0.2 percent at 99.920, but remained within reach of its December 2015 peak of 100.51. Spot gold may test a resistance at \$1,235 per ounce, as it has found a support zone of \$1,204-\$1,210. according to Reuters technical analyst Wang Tao.

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

The WTI Crude Oil market broke down below the \$43 level during the day on Monday, but did show signs of support. It is because of this that I would choose to wait until we broke below the bottom of the Monday session to start selling again. Any rally at this point is an opportunity to sell as far as I can see, extending all the way to the previous uptrend line that should now be resistive. If we do break down, I believe that the market will then reach towards the \$40 handle below. That is a large, round, psychologically significant number, so I believe that we will be attracted to this market. It is not until we break above the uptrend line that I would consider going long and a market that is so obviously in shambles at the moment. Momentum on crude oil prices remains negative as the MACD index prints in the red with a downward sloping trajectory which points to lower prices.

Pivot:	44.22		
Support	43.45	43.00	42.65
Resistance	44.63	45.00	45.65

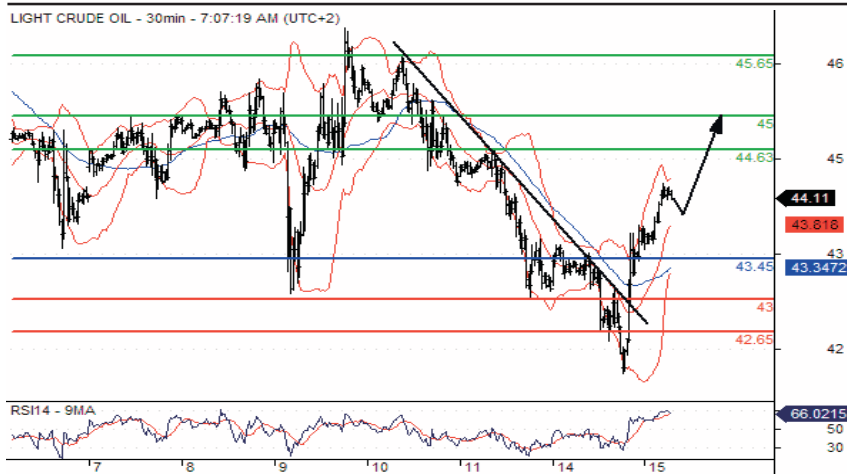
Highlights

- Oil fell more than 2 percent to its lowest in three months yesterday
- Prospect of another year of oversupply and weak prices overshadowed chances OPEC will reach a deal to cut output
- Donald Trump's surprise win in last week's U.S. election boosted the Dollar
- The Organization of the Petroleum Exporting Countries plans to cut output
- OPEC said on Friday its output hit a record 33.64 million barrels per day in October and forecast even larger global surplus in 2017

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



Fundamentals

- Oil prices rose around 2 percent in today's Asian trading session to move away from multi-month lows struck the day before, pushed higher by expectations of falling shale output and renewed optimism that OPEC will deliver on touted production cuts.
- U.S. crude futures for December delivery had climbed 90 cents, or 2.1 percent, to \$44.22 a barrel earlier today. They struck their lowest in nearly two months the session before.
- Prices were buoyed by expectations that U.S. shale oil production will in December fall to its lowest since April 2014 at 4.5 million barrels per day. News of Qatar, Algeria and Venezuela leading the push for the OPEC deal were music to the ears for oil traders, boosting crude oil prices.
- Most notably, key producers - Iran and Iraq - were also reported to be contemplating the proposals, reigniting hopes of a deal in the OPEC's upcoming meeting. Saudi Arabia's energy minister said it was imperative for the Organization of the Petroleum Exporting Countries to reach a consensus on activating a deal made in September to curb production. OPEC members are due to meet later this month.
- Also supporting oil markets was news that Harold Hamm, chief executive at U.S. independent oil producer Continental Resources, could serve as energy secretary when Donald Trump becomes U.S. president.
- Hamm, if nominated, would be the first U.S. energy secretary drawn directly from the industry, a move that would jolt environmental advocates but bolster Trump's pro-drilling energy platform. U.S. crude prices are also likely to be supported by short-covering. Meanwhile, returning Libyan crude oil production could cap market gains.

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

The silver markets broke down during the day on Monday, slicing through the \$17 level. The market should now try to reach towards the \$17 level, and the negativity of the candle cannot be discounted either. With this, I continue to think that a strengthening US dollar will continue to punish precious metals, and silver of course will react accordingly. Rallies should offer selling opportunities on the first signs of exhaustion and could be traded off of shorter-term charts as silver tends to trade shorter-term charts much easier at this point as the negativity is so strong. The technical break in Silver prices combined with the weekly bearish engulfing candle will set a bearish tone for the upcoming week. Recoveries towards the 200-period daily moving average carry some potential to trigger a continuation lower. The first level of support is seen at \$17.19 and has already triggered a small bounce on Friday.

Pivot:	16.94		
Support	16.52	16.27	16.03
Resistance	17.45	17.73	18.00

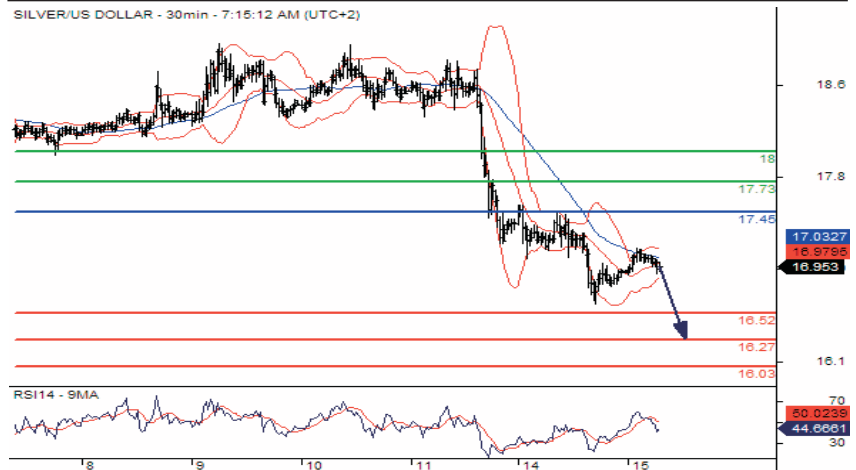
Highlights

- The combination of a strong dollar and higher global bond yields continued to have a negative impact on silver yesterday
- After heavy losses, silver eventually consolidated around \$17.20 per ounce
- The strong dollar had a very important impact on silver prices yesterday
- The US currency advanced strongly against all major currencies with USD/JPY breaking above the 108.00 level
- The increase in yields was important in raising the opportunity cost of holding silver

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 continued lower yesterday, as the US dollar approached one-year highs against a basket of other major currencies. December silver futures were down 20 cents, or 1.2%, to \$17.18 a troy ounce, their lowest since early June. The grey metal plunged more than 7% Friday, wiping out gains from the previous three weeks.
- Precious metals have tanked in the aftermath of the US presidential election, as investors grew optimistic about President-elect Donald Trump's plan to lower corporate taxes and boost infrastructure spending.
- Trump's election win sent copper prices to their best weekly performance on record. According to analysts, higher demand for base metals could drag silver prices higher over the long term.
- The US dollar approached one-year highs against a basket of other major currencies Monday on growing expectations the Federal Reserve will raise interest rates next month.
- The dollar index briefly traded above 100.00 through the overnight session before consolidating at 99.75 for a gain of 0.7%. The greenback soared more than 2% last week.
- The markets are pricing in the probability of a December rate increase at 81.1%, according to the 30-day Fed Fund futures prices. In economic data, Chinese industrial production rose 6.1% in the 12 months through October, unchanged from the previous month, the National Bureau of Statistics reported Monday.
- A separate gauge of fixed-asset investment rose 8.3% in the year to October from 8.2% the previous month. A deluge of economic data will make headlines this week, giving investors more insight into the health of the world economy.

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

Tuesday, November 15, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Nov 15	12:00	EUR German Gross Domestic Product n.s.a. (YoY) (3Q)	High	1.5%	1.6%	3.1%
Tue Nov 15	14:00	EUR Italian Gross Domestic Product s.a. and w.d.a. (YoY) (3Q)	Medium	0.9%	0.8%	0.7%
Tue Nov 15	14:30	GBP Consumer Price Index (YoY) (OCT)	High	0.9%	1.1%	1.0%
Tue Nov 15	15:00	EUR German ZEW Survey (Economic Sentiment) (NOV)	High	13.8	8.1	6.2
Tue Nov 15	15:00	EUR Euro-Zone ZEW Survey (Economic Sentiment) (NOV)	Medium	15.8		12.3
Tue Nov 15	15:00	EUR Euro-Zone Gross Domestic Product s.a. (YoY) (3Q)	High	1.6%	1.6%	1.6%
Tue Nov 15	18:30	USD Advance Retail Sales (OCT)	High		0.5%	0.6%
Tue Nov 15	19:00	CAD Existing Home Sales (MoM) (OCT)	Medium			0.8%
Tue Nov 15	20:00	USD Business Inventories (SEP)	Medium			0.2%

Source: Forex Factory, DailyFX

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