

## Gold

### Technical

Gold prices consolidated on Monday, hovering near support just above the May lows at 1,199. Resistance on the yellow metal is seen near the 10-day moving average at 1,234. The consolidation came as the dollar took a break from its robust rally, and the Bundesbank stated that additional stimulus was not needed. The relative strength index (RSI) continued to form a bottom, reflecting decelerating negative momentum, as it prints at 28, below the oversold trigger level of 30 which could foreshadow a correction. The Bundesbank has chimed in and doesn't see need for more action. The German central bank in its latest monthly bulletin sounded quite upbeat saying that confidence improved markedly and that underlying cyclical momentum is quite strong, with Q4 GDP growth set to pick up considerably from the slightly weaker than expected third quarter.

Pivot:	1,218		
Support	1,209	1,200	1,184
Resistance	1,222	1,233	1,245

### Highlights

- SPDR Gold Trust, said its holdings fell 0.71 percent to 908.77 tonnes on Monday. Holdings have fallen 3.6 percent so far this month
- Gold futures advanced from the lowest since February as the dollar declined
- The Dollar Spot Index fell for the first time in four days
- Gold is recovering after President-elect Donald Trump's pledge to cut U.S. taxes and boost infrastructure spending
- Gold for December delivery climbed 0.1 percent to settle at \$1,209.80 an ounce

### Gold - Technical Indicators

RSI 14	25.62
SMA 20	1,261.96
SMA 50	1,274.70
SMA 100	1,303.14
SMA 200	1,288.88

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold rose today in Asian session, climbing further away from last week's 5-1/2-month lows on short-covering as the dollar weakened and physical buying in Asia supported prices.
- Donald Trump's U.S. presidential election victory initially saw a flight to safe-haven assets such as gold but the run reversed as the dollar and bond yields surged on expectations of higher U.S. spending and interest rates.
- Spot gold was up 0.3 percent at \$1,217.35 an ounce, though analysts saw the gains as short-lived. The previous day, bullion advanced 0.4 percent to snap three sessions of losses. U.S. gold futures were up 0.6 percent at \$1,217 per ounce, after rising as high as \$1,220.90.
- We see this as a short-covering rally rather than a fundamental change. A rise in equities and the dollar were signs of sustained pressure on gold in the medium term.
- Recent gold lows had spurred physical buying by bargain hunters, Khan said, but this could establish a floor for bullion rather than push it higher. Right now we are just not sure where that floor is.
- Gold has fallen more than \$100 an ounce from its post-election peak on Nov. 9 as U.S. Treasury yields posted their biggest two-week rise in more than five years and the dollar shot higher. But the dollar weakened yesterday, supporting bullion.
- The dollar index, which measures the greenback against a basket of main currencies, slipped a further 0.2 percent, after snapping a 10-day rising streak on Monday. The expected rise in U.S. interest rates in December is also preventing gold from gaining further, traders said. Gold is highly sensitive to rising interest rates, which lift the opportunity cost of holding non-yielding assets such as 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	
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 crude oil market took off to the upside, gapping immediately on Monday. We are testing the bottom of the previous uptrend line, so unless you are already long of this market, you may want to look for an exhaustive candle at this uptrend line that the sellers will get involved in. After all, it should now be resistive, so I would be a bit cautious about getting into the market now. However, if we break above the top of the trend line we will then race towards the \$49 level. At this point, the gap also should be filled, so that gives us another reason to think that perhaps the sellers get involved. Until I see some type of clear sell signal, I will probably stand on the sidelines as the longer-term uptrend line had collapsed recently. Momentum is positive as the MACD index generated a buy signal. The index has crossed from negative to positive territory confirming the buy signal.

Pivot:	47.49		
Support	46.30	45.30	44.55
Resistance	48.55	49.15	50.10

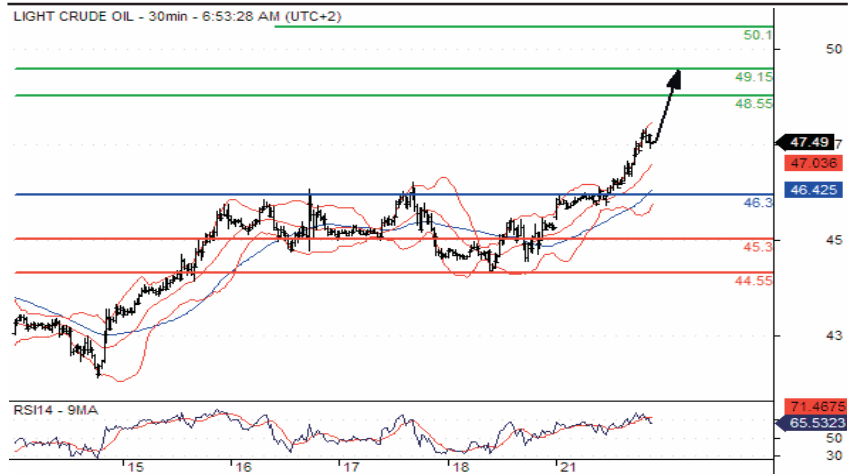
### Highlights

- Oil climbed to a three-week high as Iran signaled optimism that OPEC will agree to a supply-cut deal
- Iraq said it will make new proposals to help bolster unity before next week's meeting in Vienna
- Oil has rebounded from an eight-week low on Nov. 14 as members of the OPEC make renewed diplomatic efforts
- U.S crude futures were up 68 cents, or 1.4 percent, at \$48.92 a barrel
- Analysts at RBC said they believed a deal would be reached

### Crude - Technical Indicators

RSI 14	45.20
SMA 20	45.52
SMA 50	47.64
SMA 100	46.10
SMA 200	45.86

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices rose today in European trading session to their highest this month as a growing consensus emerged in the market that OPEC would overcome internal disputes and scepticism to strike a deal that materially reduces crude output.
- But some warned a failure by the Organization of the Petroleum Exporting Countries to reach agreement at a Nov. 30 meeting, or effectively implement it, would send prices crashing as a two-year glut of crude remained unabated.
- U.S. West Texas Intermediate (WTI) crude futures CLc1 were up 68 cents, or 1.4 percent, at \$48.92 a barrel. Prices were boosted by comments from a Nigerian official attending an OPEC technical meeting, which is trying to hammer out details of a deal, that it was likely all countries would be "on board" by the end of today's session.
- OPEC is trying to bring its 14 member states, including regional foes Saudi Arabia and Iran, and non-OPEC producer Russia to agree on a coordinated cut to prop up the market by bringing production into line with consumption.
- The organization had said at the end of September it aimed to cut production to between 32.5 million and 33 million barrels per day compared to its recent record output of around 33.8 million bpd.
- Since then, doubts weighed over whether Saudi Arabia and Iran could put their geopolitical disputes aside and whether countries whose finances are in dire straits due to low oil prices would resist the urge to pump crude at high rates.
- Our view is primarily based on the belief that the single most important country in OPEC, Saudi Arabia, wants it, and that the ability of a number of suspected cheaters to cheat is constrained. While a ceiling for overall OPEC production may be agreed by Nov. 30, it is unclear whether clear quotas per member state would be set.

### 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 rose slightly and as we continue to see quite a bit of volatility. The \$17 level above is massively resistive, and as a result I think it's only a matter of time before the sellers get involved. At the first opportunity, I will start shorting exhaustion as this market continues to show that the US dollar has been working against the value of precious metals in general. I have no understand buying, at least not at the moment. It is not until I see a long-term candle that I can get involved to the upside. Silver is sitting near the center of an air pocket. As we have noted on several occasions there is nothing substantial to the left until around 16/15.80. Until support is met, as long as silver stays below the low 17s, the path of least resistance will remain lower. Bounces and consolidations are viewed as potential opportunities for shorts to add to existing positions or open new trades.

Pivot:	16.83		
Support	16.49	16.10	15.80
Resistance	17.08	17.25	17.52

### Highlights

- Silver was little changed despite a broad rally in commodities that extended to gold
- U.S dollar lost some of its zest following its biggest two-week gain in 20 months
- March silver futures held relatively steady at \$16.74 a troy ounce on the Comex division of the New York Mercantile Exchange
- Silver declined nearly 4% last week and has plunged 9% since November 4, as the US dollar reasserted its dominance
- The markets have placed a more than 95% likelihood of a December liftoff

### Silver - Technical Indicators

RSI 14	30.06
SMA 20	17.78
SMA 50	18.01
SMA 100	18.74
SMA 200	18.05

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver found support above the \$16.50 level on Monday, but the dollar's resilience against the dollar and yen was an important factor curbing underlying support and prices made little headway.
- After the sharp decline to near \$16.50 during the New York session on Friday, prices stabilised late in the session and opened around the \$16.70 area in Asia on Monday.
- The latest weekly COT data recorded a small decline in non-commercial long silver positions to just over 62,500 contracts from over 65,000 previously week. There has been no major shift in positioning over the past month, although the longer-term perspective is significant as there has not been a short position for over five years.
- Although there is the potential for further position liquidation on adverse fundamental developments, there is likely to be robust buying on dips. The dollar remained a crucial focus during the day following trade-weighted gains to the highest level for over 13 years seen last week.
- There was an underlying dollar correction weaker during the European session with the trade-weighted index edging back below the 101.00 level from highs above 101.50 last week.
- There was also a slight recovery in global bond markets and a small retreat in yields had some beneficial impact on precious metals prices. The US currency continued to gain strong support on dips against the Euro and yen, which helped offset the impact of gains in commodity currencies during the day.
- The weaker US currency helped silver advance to highs around \$16.85 early in the European session, but there was selling interest on rallies and prices retreated back towards \$16.65 late in the U.S session with gold unable to provide strong support as rallies faded just above the \$1,215 per ounce level.

### 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

## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Nov 22	10:30	JPY Tokyo Department Store Sales (YoY) (OCT)	Low	-4.4%		-3.4%
Tue Nov 22	12:00	CHF Trade Balance (Swiss franc) (OCT)	Medium	2.68b		4.33b
Tue Nov 22	14:30	GBP Public Finances (PSNCR) (Pounds) (OCT)	Medium	-3.4b		18.9b
Tue Nov 22	14:30	GBP Central Government NCR (OCT)	Medium	-4.0b		22.5b
Tue Nov 22	14:30	GBP Public Sector Net Borrowing (Pounds) (OCT)	Medium	4.3b	6.0b	9.2b
Tue Nov 22	18:30	CAD Retail Sales (MoM) (SEP)	Medium		0.6%	-0.1%
Tue Nov 22	20:00	USD Richmond Fed Manufacturing Index (NOV)	Low			-4
Tue Nov 22	20:00	EUR Euro-Zone Consumer Confidence (NOV)	Medium			-8
Tue Nov 22	20:00	USD Existing Home Sales (MoM) (OCT)	Medium		0.0%	3.2%

Source: Forex Factory, DailyFX

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