

## Gold

### Technical

Gold markets of course are highly influenced by the US dollar. At this point, the market probably looks at the \$1220 level as massive support. At this point, Economists believe the Gold markets are a bit extended for the short term, but it would be willing to take a small position at \$1220 as it has been somewhat reliable. The keyword here of course is going to be "small", as Gold markets do tend to be a bit volatile. If it break below the \$1220 level, then the market will probably go looking towards the \$1210 level, followed by the much more significant \$1200 level after that. This is a market that continues to struggle with momentum at the moment, but it's obvious that it still have a certain amount of buying pressure underneath, perhaps due to global uncertainty, perhaps due to US dollar fluctuations. If it break down below the \$1200 level, that would be an extraordinarily negative sign.

Pivot:	1,225		
Support	1,225	1,223	1,220
Resistance	1,236	1,233	1,230

Source: FX EMPIRE

### Highlights

- Gold prices were still hovering around the 100-day moving average near \$1,224, a key technical level
- The gold market will be paying attention to U.S-China trade tensions
- Gold futures ended lower yesterday, extending their losses from the previous session after posting a third straight weekly advance
- The U.S dollar strengthened against most of its currency rivals to start the week
- So far it is seeing a good recipe for gold prices to recover

### Gold - Technical Indicators

RSI 14	45.44
SMA 20	1,267.2
SMA 50	1,252.1
SMA 100	1,256.3
SMA 200	1,277.8

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices slipped today, pressured by a rallying dollar and the metal's failure to break above a key technical level. Prices were on track to register their biggest daily percentage decline since Oct. 12.
- Spot gold fell 0.3 percent to \$1,222.13 per ounce, having hit a 2-1/2-month peak last week at \$1,233.26 per ounce. U.S gold futures fell 0.3 percent to \$1,224.80.
- The strength of the dollar and the gold market's inability to trade above the 100 day moving average (at \$1,224 yesterday) has given people the impression that gold has no chance of rallying.
- The dollar rose against a basket of major currencies, denting demand for gold, which is priced in the U.S currency, while Wall Street failed to capitalise on gains in European and Asian stock markets.
- The fundamental outlook for gold is still looking a little bleak despite the recent recovery, so it would not be surprised if gold was to falter from here. Spot gold may either consolidate further below a resistance at \$1,235 per ounce, or break a support at \$1,217, to fall to the next support at \$1,208.
- Gold speculators cut their net short position in COMEX gold contracts by 65,637 contracts to 37,372 contracts, the smallest since late July, in the week to Oct. 16, data showed.
- Supportive price action around \$1,210-\$1,220 should restrict declines amid current global political uncertainty, while a test through \$1,230-\$1,235 will likely squeeze further shorts out of the market and see gold toward \$1,250.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

The WTI Crude Oil market fell initially yesterday, reaching down towards the \$68.50 level in early trading. It is starting to try to find some type of support there, but at this point it's not clear as to whether or not that support will hold. When it looks at the trade embargo with the Iranians, that should be good for oil prices, but at the same time there are reports that possible production boosts from both Saudi Arabia and Russia could be in the mix, and that of course would be very bearish for the market. Regardless, it is simply unwinding some of the over exuberance that it had seen. Eventually it is going to find some value hunters, so patients will probably be needed. Brent markets also fell early in the day, reaching down to the \$79 level. This is an area that has been supported in the past, and Economists think it should be supported in the future as well.

Pivot:	69.85		
Support	68.90	68.52	68.20
Resistance	70.75	70.25	69.85

Source: FX EMPIRE

### Highlights

- Oil was pressured last week in part due to a fourth straight rise in U.S crude inventories
- WTI crude, the U.S benchmark, fell 3.1% last week, while Brent shed 0.8%
- U.S sanctions on Iran's oil sector start on Nov. 4 and analysts believe up to 1.5 million bpd in supply could be at risk
- OPEC estimates demand for its crude will fall to an average of 31.8 million bpd next year, from an average 32.8 million bpd this year
- Investors might also brace for another rise in U.S crude inventories later this week

### Crude - Technical Indicators

RSI 14	55.83
SMA 20	48.93
SMA 50	46.53
SMA 100	47.26
SMA 200	51.85

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil futures ended barely higher yesterday as the November U.S benchmark futures contract expired and investors took stock of U.S-Saudi tensions over the killing of journalist Jamal Khashoggi.
- Spot Middle East crude oil cargoes are trading at discounts in Asia after OPEC producers increased supplies to replace Iranian oil and as natural disasters crimped demand from Japan, industry sources.
- The market has unexpectedly weakened this month for cargoes loading in December, with most grades ranging from light-sour Murban from Abu Dhabi to Qatar's Land and Marine crude trading at discounts to their respective price markers.
- Oil prices are finely balanced in today's trading session despite the Saudi pledge to boost production. It is still not a foregone conclusion that the kingdom's production increase will be enough to compensate for the potential output loss from Iran and Venezuela.
- Brent crude futures for December delivery rose 5 cents to settle at \$79.83 a barrel. West Texas Intermediate for November delivery also rose 5 cents to settle at \$69.17 on its last day as the U.S front-month.
- Several U.S lawmakers have suggested imposing sanctions on Saudi Arabia over the killing of journalist Jamal Khashoggi. The world's largest oil exporter, pledged to retaliate against any sanctions with "bigger measures."
- The OPEC agreed in June to boost supply to make up for the expected disruption to Iranian exports. In intraday trade, WTI fell as low as \$68.27, its lowest since Sept. 14.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

## Silver

### Technical

Silver markets fell as the market continues to gyrate. Silver of course is very volatile, so this shouldn't be much of a surprise as the US dollar picked up a little bit of strength early. However, the \$14.50 level should offer support underneath, and a bounce from there makes a lot of sense. If it do break down below there, then there are also buyers near the \$14.30 level underneath. At this point, this is a market that continues to be very erratic, and it would of course be very cautious about my position size. Ultimately, that \$15 is the target that silver investors will be looking towards, but it's going to take some time to get there. If it break down below the \$14.30 level, then it could go to the \$14.25 level, and possibly even lower than that. Silver is very risk sensitive, so headlines of course can cause issues in this market. The buyers are still underneath looking to pick up value as it go along.

Pivot:	14.59		
Support	14.49	14.43	14.35
Resistance	14.71	14.65	14.59

Source: FX EMPIRE

### Highlights

- Silver prices were up 0.4 percent at \$14.65 per ounce
- The white metal for delivery in March contracts was trading higher
- Building up of positions by speculators in line with a firm trend in global markets for precious metals influenced silver prices at futures trade
- Recently rising political tensions and worries over slowing global economic growth have supported the prices
- Silver prices rose as speculators created fresh positions amid firm trend overseas

### Silver - Technical Indicators

RSI 14	19.80
SMA 20	17.27
SMA 50	16.72
SMA 100	16.85
SMA 200	16.87

Source: FX EMPIRE

### Silver Daily Graph



# Commodity News

Tuesday, October 23, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tues Oct 23	18:00	MXN Economic Activity IGAE (YoY) (AUG)	Medium			3.32%
Tues Oct 23	18:30	USD Fed's Kashkari Speaks at Early Childhood Development Event	Low			
Tues Oct 23	19:00	USD Richmond Fed Manufact. Index (OCT)	Low		24	29
Tues Oct 23	19:00	EUR Euro-Zone Consumer Confidence (OCT A)	Medium		-3.2	-2.9
Tues Oct 23	20:20	GBP BOE's Carney Speaks at a Conference	High			
Tues Oct 23	20:30	USD U.S. to Sell 4-Week Bills	Low			
Tues Oct 23	20:30	USD U.S. to Sell 8-Week Bills	Low			
Tues Oct 23	22:00	USD U.S. to Sell USD38 Bln 2-Year Notes	Low			
Tues Oct 23	22:30	USD Fed's Bostic Speaks on Economy and Monetary Policy	Low			

Source: Forex Factory, DailyFX

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