

Gold

Technical

Gold markets have clearly broken above the 50 day moving average, and now look likely to continue to go higher based upon the bullish action that it has seen. At this point in time, the market will probably reach towards the \$1250 level, an area that has attracted both buyers and sellers in the past. Currently, on the daily chart it looks as if it is trying to bounce around between \$25 levels, and with the 50 day EMA turning to the upside, it's obvious that Gold is ready to make a serious attempt at a breakout. The \$1225 level underneath should offer support so the idea of buying these dips. The 50 day EMA should offer dynamic support as it has offered dynamic resistance. Longer-term, gold is starting to turn back into a bit of an uptrend, perhaps attracting a lot of longer-term money. \$1300 will of course be crucial as well and could be a barrier that will be very difficult to overcome.

Pivot:	1,229		
Support	1,229	1,225	1,220
Resistance	1,244	1,240	1,236

Source: FX EMPIRE

Highlights

- Gold prices climbed yesterday to settle at their highest in about three months
- Dollar denominated gold is used as an alternative investment during times of political and financial uncertainty
- Spot gold may retest a resistance at \$1,238 per ounce
- US treasury yields also sharply declined, as the market shifts to investor flight in traditional havens such as gold
- Gold is now testing potential resistance around the \$1,238/40

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 nudged higher today after hitting their highest in over three months in the previous session as global political and economic uncertainties bolstered safe-haven demand for the metal.
- Spot gold was up 0.1 percent at \$1,231.81 an ounce. Yesterday, it touched its highest since July 17 at \$1,239.68. U.S gold futures were down 0.2 percent at \$1,234.7 an ounce.
- Gold has benefited from general equity weakness, short covering, and rising risk aversion. There is potential for further upside amid rising risk aversion and geopolitical risk.
- Global stocks have suffered this week on worries about U.S earnings, Italian government finances, trade tensions and mounting pressure on Saudi Arabia over the death of dissident journalist Jamal Khashoggi.
- Weakness in U.S equities will neutralize the haven appeal for U.S dollar, playing into gold's hands. Risk aversion is in play. The difference this time around is the U.S dollar does not have a go-to haven appeal it had from escalating trade war tension.
- While the dollar is also considered a safe haven currency, weakness in U.S equities has tended to undercut its appeal especially as talk of a peak in U.S corporate earnings has raised concerns about the outlook for economic growth.
- The bullion has slipped nearly 10 percent from its April peak after investors preferred the dollar as the U.S-China trade war unfolded against a background of higher U.S. interest rates.

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 has broken down significantly yesterday, slicing through the 61.8% Fibonacci retracement level, and the \$68 level. The market simply looks very soft at this point, and rallies at this point should be nice selling opportunities, unless of course it can close above the 50 EMA on the daily chart. Speaking of the 50 EMA, it is starting to see a turn lower, and this is a very negative sign. Brent markets broke down significantly during the day as well, slicing through the 50% Fibonacci retracement level, an area that typically attracts a lot of pressure. Now that it has broken through that, the next target will be the 61.8% Fibonacci level at the \$76.91 level, but the fact that the 50 EMA is turning lower, it's likely the Brent market will behave very much like the WTI market, selling off rapidly. At this point, the market continues to drop from here.

Pivot:	67.20		
Support	65.70	65.00	64.25
Resistance	68.50	67.90	67.20

Source: FX EMPIRE

Highlights

- Oil futures dropped more than 4% yesterday, with U.S benchmark prices at their lowest finish in about two months
- Investors were also awaiting data on U.S crude supplies
- Inventories have risen for four straight weeks and were expected to swell further for the week ended Oct. 19
- Brent oil prices reaching \$85 per barrel by year-end
- Oil supply is tightening, the demand outlook for 2019 is darkening because of concerns of a slowing economy

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

- Brent crude prices stabilized today after heavy losses the day before, with looming U.S sanctions against Iran back in focus. Front-month Brent crude oil futures were at \$76.52 a barrel, up 1 cent from their last close.
- Oil prices plunged about 5 percent yesterday to two-month lows as a sell-off in globalequity markets raised worries about demand growth and afterSaudi Arabia said it could supply more crude quickly if needed,easing concerns ahead of U.S sanctions on Iran.
- U.S West Texas Intermediate crude futures were weaker, down 10 cents at \$66.33 a barrel, pressured by a report by the American Petroleum Institute that U.S crude stocks rose by 9.9 million barrels in the week to Oct. 19 to 418.4 million barrels.
- The United States cannot stop Iranian oil exports by imposing sanctions on Tehran, Iran's oil minister said yesterday, warning that such restrictions will ensure the market remains volatile.
- Iran's regional rival, U.S ally Saudi Arabia, says Riyadh has the capacity to increase output to 12 million barrels per day (bpd) from the current 10.7 million bpd.
- The Organization of the Petroleum Exporting Countries, of which Saudi Arabia and Iran are members, agreed in June to boost supply to make up for the expected disruption to Iranian exports.
- U.S crude ended the session at \$66.43 a barrel, down\$2.93, after falling 5.2 percent to a session low of \$65.74, thelowest level since Aug. 20. If U.S crude drops below \$65, apsycholegically important figure, that could trigger furthertechnical selling.

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 broke higher during the trading session yesterday, breaking above the 50 EMA. At this point, it looks as if the market is probably going to try to reach the \$15 level which is a massive barrier. Gold markets have already turned higher and above the 50 EMA, and it looks as if silver is trying to do the same thing. However, the \$15 level is going to be a massive barrier to overcome, so it's going to be difficult to break out. The \$14.50 level now as significant support and will continue to buy dips as they occur. If it break down below that level, then it suspect that the \$14.25 level and the \$14.00 level both will also offer support. It's not until it break down below the \$14 level that it would start to anticipate selling this market. At this point, it suspect that buying silver in little increments will probably be the best way to do, building up a larger position for a longer-term trade.

Pivot:	14.70		
Support	14.70	14.65	14.59
Resistance	14.91	14.85	14.80

Source: FX EMPIRE

Highlights

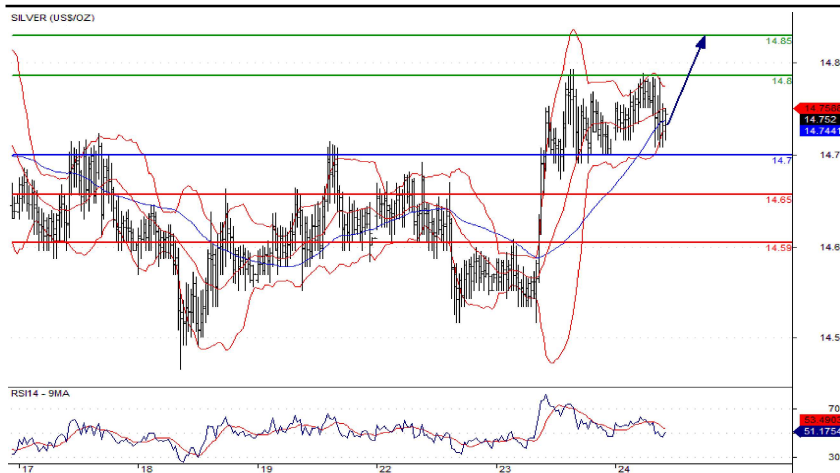
- Silver prices marked higher 0.3 percent to \$14.77 per ounce
- Profit-booking at prevailing levels mainly pulled down silver prices in futures trade
- December Comex silver was last up \$0.208 at \$14.795 an ounce
- U.S Treasury prices rose, yields hit their lowest levels in almost three weeks as tumbling equity markets worldwide fed demand for low-risk debt
- GDP is seen up 3.4% in the third quarter, on an annual basis

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



Source: Meta Trader

Fundamentals

- Silver futures tilted higher in Asian trade as the dollar index traded mostly flat for the day, ahead of US housing, industrial and services data later today. Global stock markets saw risk aversion return to the marketplace today amid heightened geopolitical tensions. China's stock indexes were sharply down after good gains posted Monday. South Korea's and Japan's stock markets were also sharply lower.
- Silver futures due in December rose 0.11% to \$14.81 an ounce, while the dollar index barely inched up to 95.99 off four-week lows. New home sales are expected with a 0.4% drop to 627 thousand units from 629 thousand.
- Markets await a multitude of US data, with the House Price Index expected with a 0.3% increase, compared to a 0.2% addition in August, while flash Markit readings for the manufacturing PMI are estimated at 55.4, down from 55.6 in September, and for the services at 54.1, up from 53.5.
- Federal Reserve Bank of Atlanta President Raphael Bostic is due to speak at the Louisiana State University Energy Summit, in Baton Rouge, while Federal Reserve Bank of Cleveland President Loretta Mester is scheduled to speak at the Forecaster's Club, in New York later today.
- Investors also await the release of the Beige Book, upon which the Federal Reserve policymakers base their policy and interest rate decisions two weeks later at their periodic meetings.
- The white metal was boosted by safe-haven demand amid keener geopolitical uncertainty in the marketplace. Silver prices did back off their daily highs as the U.S stock indexes moved up from daily lows. The China-U.S.trade showdown is negatively impacting China's economy and weighing on Asia's stock markets.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2018	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Wednesday, October 24, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Oct 24	16:00	USD MBA Mortgage Applications (OCT 19)	Medium			-7.1%
Wed Oct 24	18:00	MXN Bi-Weekly Consumer Price Index (YoY) (OCT 15)	High			5.17%
Wed Oct 24	18:00	USD House Price Index (MoM) (AUG)	Medium		0.3%	0.2%
Wed Oct 24	18:45	USD Markit US Manufacturing PMI (OCT P)	Medium		55.5	55.6
Wed Oct 24	18:45	USD Markit US Services PMI (OCT P)	Medium		54	53.5
Wed Oct 24	18:45	USD Markit US Composite PMI (OCT P)	Medium			53.9
Wed Oct 24	19:00	CAD Bank of Canada Rate Decision (OCT 24)	High		1.75%	1.50%
Wed Oct 24	19:00	USD New Home Sales (MoM) (SEP)	Medium		-0.6%	3.5%
Wed Oct 24	19:30	USD DOE U.S. Crude Oil Inventories (OCT 19)	Medium		3000k	6490k

Source: Forex Factory, DailyFX

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