

Gold

Technical

Gold markets have broken above a downtrend line on the daily chart, as it looks like to continue to go higher, but it may need to pull back a little bit in order to build up the necessary momentum. If it break above the \$1250 level, then the \$1300 level will eventually be targeted. On pullbacks, it anticipate that the \$1200 level underneath will be supportive, just as the previous downtrend line on the daily chart had been. At the longer-term charts, there is significant support just below the \$1200 level, as well as the \$1400 level offers significant resistance. Ultimately, this is a market that is trying to return to that consolidation overall. If it get some type of reason to jump into a “safety trade”, then gold should work out. The falling US dollar could also help as well if it happens. The market will continue to be volatile, just to see a lot of concern around the world when it comes to geopolitical issues.

Pivot:	1,230		
Support	1,224	1,221	1,218
Resistance	1,235	1,233	1,230

Source: FX EMPIRE

Highlights

- Gold eased yesterday, sliding off a more than three-month peak in the previous session
- Dollar potential is still very strong and may limit upside gains for gold prices
- Gold prices have gained about 6 percent since declining to \$1,159.96 an ounce in mid-August, the lowest since January 2017
- Prospects for higher U.S interest rates hurt dollar-priced gold as they raise the opportunity cost of holding the bullion
- A stronger dollar makes bullion more expensive for holders of other currencies

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 edged down today as the U.S dollar firmed on renewed fears of an intensification in the Sino-U.S trade war and worries over slowing global economic growth.
- Spot gold was down 0.6 percent at \$1,225.71 per ounce. U.S gold futures settled down \$8.20, or 0.7 percent, at 1,227.60. With the dollar strength we see this morning, it is hard for gold to see any rally.
- Despite the volatility we have seen in equities if gold is still down so much, it shows you that the flight to safety is not going into gold but the dollar because of the outlook for higher rates.
- Prospects for higher U.S interest rates hurt dollar-priced gold as they raise the opportunity cost of holding the bullion. The dollar edged back toward Friday's 10-week high against a basket of its key rivals, making gold more expensive for holders of other currencies.
- U.S stocks gained yesterday, following a broad rise in Europe after last week's choppy sessions in global equity markets, which had prompted a flight to safer assets, and pushed gold to at \$1,243.32, its highest since July 17 on Friday.
- Gold is now increasingly in need of supporting fundamentals to carry it higher. This after the tailwind from short covering begins to fade given the sharp reduction witnessed during the past few weeks.
- Hedge funds and money managers cut their net short positions in gold to the smallest since mid-July, data showed. Banks and brokerages have cut their average gold price forecasts for this year and 2019, but still expect prices to stage a modest recovery.

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 a bit during the trading session yesterday, reaching towards the uptrend line on the daily chart that has been so important. The fact that it stayed above that uptrend line so far, is a very good bullish sign. If it break above the top of the range for the trading session yesterday, it's possible that the selling has abated and it could get a bit of a bounce from there. A break down below the uptrend line should send this market down to the \$65 level, breaking down below that level would be an extraordinarily negative sign. Brent markets also fell a bit but stay above the uptrend line that has been so important. While it's been very volatile during the trading session, that should not be surprising considering that the market has been falling rather hard over the last several sessions, but a lot of value hunters are starting to come back into the market at this point.

Pivot:	67.35		
Support	66.70	66.30	65.75
Resistance	67.95	67.60	67.35

Source: FX EMPIRE

Highlights

- Oil prices edged lower, with futures on track for the worst monthly performance since mid-2016,
- Rising U.S crude inventories also were a pressure point, with crude inventories surging 28.7 million barrels over the last five weeks
- Brent crude oil futures were at \$77.18 a barrel, down 16 cents, or 0.2 percent, from their last close
- Oil prices last week had posted a third weekly decline as sharp losses in global equity markets
- Leveraged funds continued to exit oil longs in the week to October 23

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 oil prices dipped today, weighed down by ongoing weakness in global stock markets and by signs of rising global supply despite looming sanctions on Iran's crude exports.
- West Texas Intermediate crude futures were firmer, however, at \$67.19 a barrel, up 15 cents from their last settlement, bringing down the spread between the two main oil price benchmarks to below \$10 per barrel.
- Oil has been caught up in broad financial market slumps this month, with stocks falling again after a report Washington was planning an additional \$257 billion worth of tariffs on Chinese goods if upcoming talks between Presidents Donald Trump and Xi Jinping fail to end a trade war between the world's two largest economies.
- There are two downward pressures on global oil demand growth. One is high oil prices, and in many countries they're directly related to consumer prices. The second one is global economic growth momentum slowing down.
- A Saudi pledge to produce as much oil as possible, and the stock market rout, have sharply reduced concerns about the Nov. 4 implementation of U.S sanctions against Iran.
- High oil prices are hurting consumers and could dent demand, the executive director of the International Energy Agency (IEA) said on Tuesday. Oil was also being weighed down by signs of rising supply from top producers.
- Oil supply remains ample despite the looming U.S sanctions against Iran's petroleum exports, crude output from the world's top 3 producers, Russia, the United States and Saudi Arabia, reached 33 million bpd for the first time in September.

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 continue to press higher but are more sideways over the last couple of days after the trend line break. If it can break above the \$15 level, then the market would show a proclivity to go towards the \$16 level, followed by the \$17 level above which has been massive resistance more than once. Overall, this of course will come down to the US dollar strength and the overall risk appetite out there, which has abated its extreme negativity over the last 24 hours. However, given time there will be something to spook the markets, that seems to be the norm these days. If the US dollar falls, that could also be reason enough to push the Silver markets higher, as it continue to see a lot of safe haven trading and the like. The \$14.50 level underneath will of course be supportive, so even at that point it doesn't surprise at all if it see value hunters coming back in.

Pivot:	14.54		
Support	14.39	14.34	14.25
Resistance	14.65	14.60	14.54

Source: FX EMPIRE

Highlights

- Silver prices marked up 0.1 percent to \$14.47 per ounce
- The metal currently trading at \$14.6-14.7 levels in the international market, it is likely to deliver good returns
- Silver prices usually follow the prices of gold as a precious metal as well as base metals for industrial use
- Silver has fallen faster than gold, pushing the gold-to-silver price ratio to above 85 recently
- December Comex silver was last down \$0.25 at \$14.45 an ounce

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 rose in Asian trade as the dollar index gained ground, ahead of US housing, consumer data later today. silver futures due in December rose 0.47% to \$14.51 an ounce, as the dollar index added 0.09% to 96.67 against an array of major rivals.
- Now markets await the US house price index, expected with a 6% increase, up barely from 5.9% in July, while an index tracking consumer sentiment is expected at 136.3, down from 138.4 in September.
- U.S stock indexes on Friday fell to six-month lows before posting rebounds on the day. U.S and world stock markets were quieter today and traded mixed. Stock market bulls will be glad to get the historically turbulent month of October out of the way and hopefully get a "Santa Claus rally" this year. However, more stock market volatility on the downside in the near term would benefit safe-haven silver.
- The stronger U.S dollar index today that is hovering near last week's nine-week high also worked against the precious metals market bulls today. There is also less risk aversion in the marketplace early this week as world stock markets have settled down, for now.
- A stronger dollar makes the metal more expensive for holders of other currencies. Silver is now increasingly in need of supporting fundamentals to carry it higher. This after the tailwind from short covering begins to fade given the sharp reduction witnessed during the past few weeks.
- The fall in demand for the metal, especially from financial market investors going for exchange-traded products, is expected to reduce. Going ahead, expectations of a weak dollar and support from gold will help silver prices recover and, like to fall, the recovery is estimated to be faster than gold.

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

Tuesday, October 30, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tues Oct 30	11:30	EUR French Gross Domestic Product (YoY) (3Q A)	Medium	1.5%	1.5%	1.7%
Tues Oct 30	13:55	EUR German Unemployment Claims Rate s.a. (OCT)	High	5.1%	5.1%	5.1%
Tues Oct 30	14:00	EUR Italian Gross Domestic Product w.d.a. (YoY) (3Q P)	High	0.8%	1.0%	1.2%
Tues Oct 30	15:00	EUR Euro-Zone Gross Domestic Product s.a. (YoY) (3Q A)	High		1.8%	2.1%
Tues Oct 30	18:00	EUR German Consumer Price Index (YoY) (OCT P)	High		2.4%	2.3%
Tues Oct 30	18:00	USD S&P/Case-Shiller Composite-20 (YoY) (AUG)	Medium		5.9%	5.92%
Tues Oct 30	19:00	USD Consumer Confidence Index (OCT)	High		136	138.4
Tues Oct 30	19:00	USD Conf. Board Present Situation (OCT)	Medium			173.1
Tues Oct 30	19:00	MXN Gross Domestic Product NSA (YoY) (3Q P)	High		2.4%	2.6%

Source: Forex Factory, DailyFX

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