

Gold

Technical

Gold markets continue to be very bullish overall as of late, and it looks as if it is trying to build up the necessary momentum to clear the \$1250 level. If it break above that level, then the market is likely to continue going higher, initially to the \$1275 level, and then eventually the \$1300 level after that. This is a market that continues to be very noisy, but there is an underlying bullish pressure as the US dollar has gotten a bit stretched, and of course beyond that it's likely that there is a bit of a safe haven bit when it comes to precious metals as well. This is a market that has been sideways for a while, with the \$1200 level being a bit of a floor in the market, while there is major resistance at the \$1400 level. At this point there is more danger to the upside than the down, especially if it can get a bit of a softening of the US dollar strength that it has seen so much of lately.

Pivot:	1,221		
Support	1,215	1,212	1,209
Resistance	1,226	1,223	1,221

Source: FX EMPIRE

Highlights

- Gold ends slightly lower yesterday, kept under pressure by a stronger dollar as well as gains in the benchmark U.S stock indexes
- Investors continued to gauge trade tensions and eyed a rise in equities
- Higher interest rates make gold, which offers no yield, less attractive
- A stronger dollar can be a negative for commodities as it makes them more expensive to users of other currencies
- December gold lost \$2.30, or 0.2%, to settle at \$1,225.30 an ounce on Comex

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

- The price of gold is expected to rise to \$1,532 an ounce by October next year, delegates to the London Bullion Market Association's annual gathering predicted yesterday.
- Spot gold has had a difficult few months, falling from a high of \$1,366.07 in January to as low as \$1,159.96 in August as the dollar strengthened and the U.S Federal Reserve pushed ahead with interest rate rises.
- Gold has since clawed back to around \$1,225 an ounce as volatility on global stock markets revived interest in bullion as a safe place to store assets. A stronger dollar hurts gold prices by making it more expensive for buyers.
- Gold futures tilted lower in American trade off July 13 highs, as the dollar index scaled August 15 highs, following earlier housing and consumer data from the US.
- Gold futures due in December inched down 0.11% to \$1,226.20 an ounce, marking October 15 lows, while the dollar index rose 0.23% to 96.80, marking two-month highs.
- Earlier US data showed the S&P Composite House Price Index rose 5.5% y/y in August, slowing down from 5.9% in July, and missing estimates of 6%. An index tracking US consumer sentiment rose to 137.0 in October from 135.5, revised from 138.4, beating estimates of 137.9.
- Otherwise, Gold holdings at SPDR Gold Trust, the world's largest gold-backed investment fund, rose 5.3 tonnes on Monday to a total of 754.94 tonnes, the highest since August 31, with prices expected to snap the longest monthly losing streak since 1996 in October.

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 gapped lower but turned around to fill the gap before falling yet again. It has broken down below the uptrend line, which of course is a very negative turn of events. It is testing the \$65 level now, and if it can break down below that level, the market probably continues to go much lower. Ultimately, if it break down below there it should only continue to bring in a lot of selling pressure as more capitulation continues to enter the marketplace. Brent markets of course fell as well, testing the \$75 level for support. If it break down below that level, the market then more than likely will reach down towards the \$72.50 level. This is a market that has been sold off rather drastically, but given enough time to see some type of correlation. The Brent market needs to break the \$77.50 level to continue going higher, and if it does it's likely that it will see a big push higher.

Pivot:	66.85		
Support	66.00	65.75	65.30
Resistance	67.60	67.25	66.85

Source: FX EMPIRE

Highlights

- Oil prices dropped more than 1 percent yesterday on signs of rising supply and concern that global economic growth and demand for fuel will fall
- The American Petroleum Institute reported U.S crude inventories rose 5.7 million barrels last week
- Oil has been caught in the global financial market slump this month
- Oil production from Russia, the United States and Saudi Arabia reached 33 million bpd
- High oil prices were hurting consumers and could dent fuel demand at a time of slowing global economic activity

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 prices climbed for the first time in three days today, but rising supply and fears over the outlook for demand amid the U.S-China trade war kept pressure on the market.
- Brent crude futures had gained 49 cents, or 0.7 percent, to \$76.40 a barrel. They fell 1.8 percent yesterday, at one point touching their lowest since Aug. 24 at \$75.09 a barrel.
- U.S West Texas Intermediate crude futures advanced 28 cents, or 0.4 percent, to \$66.46 a barrel today. They dropped 1.3 percent the day before, after hitting their lowest since Aug. 17 at \$65.33 a barrel.
- Both crude benchmarks have fallen about \$10 a barrel from four-year highs reached in the first week of October, and are on track to post their worst monthly performance since July 2016.
- U.S President Donald Trump said on Monday that he thinks there will be "a great deal" with China on trade but warned that he has billions of dollars worth of new tariffs ready to go if a deal is not possible.
- In a bearish signal, the American Petroleum Institute reported U.S crude inventories rose 5.7 million barrels last week, more than analyst's forecasts for a 4.1 million barrel build.
- The United States is set to impose new sanctions on Iranian crude from next week, and exports from the Islamic Republic have already begun to fall. Saudi Arabia and Russia have said they will pump enough crude to meet demand once the sanctions kick in.

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 found a bit of support near the \$14.50 level as investors continue to look for value. The market has recently broke above the downtrend line, and it now looks as if it is trying to do a little bit of a trend change. If that's going to be the case, the market should then go to the \$15 level above. At this point, the market breaking above the \$15 level would be a very bullish sign, and the market should then continue to go towards the \$16 level. Silver markets also have a significant amount of support underneath at the \$14 level, so it's only a matter of time before there will be buyers on a pull back. Pay attention to the value of the US dollar, as it is a main driver of what happens in the silver market, and that being the case if the US dollar falls, that should continue to help silver. If it break \$14 to the downside, the \$12 level would be the next major support level.

Pivot:	14.47		
Support	14.35	14.28	14.24
Resistance	14.56	14.51	14.47

Source: FX EMPIRE

Highlights

- Silver prices to rise to \$15 an ounce by the end of October 2019 and pushed higher since the market has significant industrial demand
- A rebound in the U.S stock market so far today is also a negative element for the safe-haven silver markets
- A lot of investors aren't looking at gold because they have been focused on equities
- The dollar touched multi-month highs on upbeat US economic data
- December Comex silver was last up \$0.018 at \$14.46 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 tilted higher in American trade off October 11 lows, as the dollar index scaled August 15 highs, following earlier data from the US today. Silver futures due in December rose 0.09% to \$14.46 an ounce off three-week lows, while the dollar index rose 0.39% to 96.96, marking 2-1/5 month highs.
- Earlier US data showed the S&P Composite House Price Index rose 5.5% y/y in August, slowing down from 5.9% in July, and missing estimates of 6%. An index tracking US consumer sentiment rose to 137.0 in October from 135.5, revised from 138.4, beating estimates of 137.9.
- US President Donald Trump warned from imposing tariffs on the rest of Chinese imports to the US if current talks failed to bear fruit Talks between US and Chinese heads of state are impending next month during the G20 Summit in Buenos Aires, but they're doubted to succeed.
- Currently, the US is imposing additional tariffs on \$200 billion worth of Chinese imports, with China retaliating with tariffs on \$110 billion worth of American products. Along with geopolitical uncertainty, growing economic uncertainty will also continue to support the silver market.
- A confluence of factors ranging from Sino-U.S trade tensions to worries about global economic growth, higher U.S interest rates and company earnings have spurred volatility in financial markets in the past few weeks.
- The dollar index against a basket of six major currencies was at 97.034, down from a 16-month peak of 97.063 after data yesterday showed U.S consumer confidence rose to an 18-year high in October, suggesting strong economic growth could persist in the near term.

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 31, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Oct 31	05:30	AUD Consumer Prices Index (YoY) (3Q)	High	1.9%	1.9%	2.1%
Wed Oct 31	05:30	AUD Private Sector Credit (YoY) (SEP)	Medium	4.6%	4.5%	4.5%
Wed Oct 31	06:00	CNY Manufacturing PMI (OCT)	High	50.2	50.6	50.8
Wed Oct 31	08:08	JPY BOJ Rate Decision (OCT 31)	High	-0.10%	-0.10%	-0.10%
Wed Oct 31	10:00	JPY Consumer Confidence Index (OCT)	Medium	43.0	43.5	43.4
Wed Oct 31	12:00	EUR German Retail Sales (YoY) (SEP)	Medium	-2.6%	1.0%	1.6%
Wed Oct 31	15:00	EUR Euro-Zone Consumer Price Index Core (YoY) (OCT A)	High		1.1%	0.9%
Wed Oct 31	17:30	CAD Gross Domestic Product (YoY) (AUG)	High		2.4%	2.4%
Wed Oct 31	17:30	USD Employment Cost Index (3Q)	Medium		0.7%	0.6%

Source: Forex Factory, DailyFX

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