

Gold

Technical

Gold markets continue to be very choppy, using the \$1275 level as support. I think that the \$1300 level above will continue to offer significant resistance though, and with no real catalyst to move the gold markets anytime soon, I think that we are essentially stuck in a very short-term type of trading scenario. The market is essentially stuck between the \$1300 level on the top and the \$1275 level on the bottom. I think that we continue to look likely to grind back and forth, and the stochastic oscillator could be a reasonable indicator to use to show oversold and overbought condition, but those could also be found in rather easily at the previously mentioned levels. If we were to break out above the \$1300 level, the market then likely goes to the \$1325 level.

Pivot:	1,283		
Support	1,276	1,271	1,266
Resistance	1,290	1,293	1,297

Highlights

- Gold bounced up slightly as a weaker U.S. dollar gave bullion a boost
- Investors are waiting the minutes, due today of the Federal Reserve meeting held in November
- Gold benefited from some safe-haven buying from investors leery of a political crisis in Germany
- The Fed minutes today should provide signals on U.S. monetary policy
- The Fed rate hike in December is roughly priced in and unless there are very hawkish minutes, people are looking for direction about future moves

Gold - Technical Indicators

RSI 14	34.17
SMA 20	1,251.14
SMA 50	1,254.69
SMA 100	1,253.36
SMA 200	1,270.12

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices crept up today in Asian session amid a softer dollar, with investors remaining cautious ahead of the release of minutes from the U.S. Federal Reserve's last meeting, which could offer hints on the outlook for the central bank's monetary policy.
- Spot gold was up 0.2 percent at \$1,283.21 per ounce. U.S gold futures for December delivery gained 0.1 percent at \$1,282.80. We are not really sure that this (Fed meeting minutes) will have much of an impact given that the decision to raise rates in December is pretty much a forgone conclusion.
- Nevertheless, we suspect that investors will want to see what policymakers are thinking about the rate situation and how aggressive they will be on this front going forward.
- The Fed kept interest rates unchanged at its last meeting, minutes of which will be released today. The Fed is "reasonably close" to its goals and should keep gradually raising U.S. interest rates to avoid the dual pitfalls of letting inflation drift below target for too long, and of driving unemployment down too far, Fed Chair Janet Yellen said on Tuesday.
- Higher interest rates help the dollar gain and push bond yields up, putting pressure on gold prices by increasing the opportunity cost of holding non-yielding bullion.
- In other markets, the dollar index against a basket of six major currencies was down 0.2 percent. Amid lack of investment demand, gold's inverse relationship with the dollar is the strongest in more than a decade.
- While the dollar is unlikely to return to its recent peak, we still see upside from current levels as the U.S. Federal Reserve continues to hike interest rates. This should weigh on gold prices heading into next year. A stronger greenback makes dollar-denominated gold more expensive for holders of other currencies.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	227381	82403	73%	120854	284003	30%	49448	31277	61%	384,974
01- Mar-16	223186	70773	76%	115571	287002	29%	51148	36,819	61%	450555
08- Mar-16	252895	78085	76%	116493	311865	27%	53520	32958	62%	499110
15- Mar-16	247659	78147	76%	118610	304141	28%	49810	33791	60%	493086
22- Mar-16	258646	79815	76%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market rallied significantly during the day on Tuesday, but in a very volatile manner. Because of this, I think it's going to continue to be a difficult to deal with this market with large amounts of money. I believe that the \$57 level above could offer a bit of resistance, but I think we are going to try to break out to the upside. If we do pull back, there should be plenty of support between here and \$55, so it's not until we break down below that level that I'm willing to sell this market. It is simply a "buy on the dips" market, and I will treat it as such. I think that if we can clear the \$58 level, the market is very likely to go to \$60 at that point, which of course is a structurally and psychologically significant level. Brent markets were also very volatile during the trading session, testing the \$62.85 level, before pulling back. The market looks likely to continue to try to grind towards the \$64.

Pivot:	57.86		
Support	57.20	56.85	56.55
Resistance	58.15	58.60	59.00

Highlights

- Oil headed for its highest close since June 2015 while trading volume surged
- U.S. industry data showed crude stockpiles resumed declines and as investors await a decision by OPEC on extending output cuts
- Crude January futures rose as much as 2 percent in New York
- Inventories fell by 6.36 million barrels last week, the American Petroleum Institute was said to report
- Data from the government today is forecast to show supplies slid 2.2 million barrels

Crude - Technical Indicators

RSI 14	44.84
SMA 20	50.11
SMA 50	49.58
SMA 100	48.06
SMA 200	49.30

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices spiked today with U.S. light crude hitting highs not seen since July 2015 after faults on a major pipeline dented Canadian deliveries to the United States, where crude inventories were also reported to be falling.
- U.S. light crude hit a 2-1/2-year high of \$57.98 a barrel before easing to \$57.74, up 91 cents on the day. Traders attributed the jump to an 85 percent cut in the amount of oil TransCanada Corp will deliver to the United States on its Keystone pipeline through the end of November, announced by the company on Tuesday.
- Keystone, which carries 590,000 barrels per day of crude from Alberta's oil sands to markets in the United States, was shut last week after a 5,000-barrel spill in South Dakota.
- There is a shortage of crude oil into the United States. Hence the rally in the prices. This adds to a picture of falling crude inventories painted by the American Petroleum Institute (API) in its weekly report on Tuesday, with stocks dropping by 6.4 million barrels in the week to Nov. 17, far above analysts' expectations. The latest official U.S. production and inventory data is due later today.
- If we see the U.S. Energy Information Administration ... confirming the big draw in crude oil stocks reported by the API last night, I think we will see the market going higher.
- Outside North America, markets have been supported by an effort led by the Organization of the Petroleum Exporting Countries to end a global supply overhang by restraining output.
- The deal to curb production is due to expire in March, but is widely expected to be extended at the group's next meeting on Nov. 30. There is growing consensus that OPEC will extend their production cut deal at the end of the month. This confidence along with the current geopolitical environment has kept ICE Brent trading firmly above \$60 per barrel.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01- Mar-16	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
08- Mar-16	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
15- Mar-16	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
22- Mar-16	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

The Silver markets were very volatile on Tuesday, reaching towards the \$17 level above, which for my money has essentially been “fair value.” I believe that we are essentially consolidating between \$17.20 on the top, and the \$16.80 level on the bottom. Because of this, \$17 seems to be where the market wants to end up, and therefore I am simply going back and forth in this market when we get a little bit too far away from that level. I don’t see the reason for Silver to break out or breakdown, and have been using the stochastic oscillator to form trading signals. However, that’s not always the most reliable indicator, so it is secondary at best in my trading. Overall, I think that the market will continue to tread water between now and the end of the year, unless there is some type of external influence. I think that Silver is probably very choppy and difficult to deal with.

Pivot:	17.00		
Support	16.88	16.77	16.70
Resistance	17.08	17.20	17.30

Highlights

- Silver prices ended the U.S day session moderately higher yesterday
- Trading activity in many markets start to taper off later today and the rest of this week, ahead of the U.S. Thanksgiving holiday
- World stock markets were mostly firmer and U.S. stock indexes set record highs
- World stock markets were mostly firmer Tuesday and U.S. stock indexes set record highs
- The greenback bulls still have the slight overall near-term technical advantage

Silver - Technical Indicators

RSI 14	35.41
SMA 20	18.01
SMA 50	17.54
SMA 100	17.15
SMA 200	17.08

Silver Daily Graph



Source: Meta Trader

Fundamentals

- The silver price rebounded on Tuesday (November 21) as investors awaited minutes from the latest US Federal Reserve meeting for more signals on monetary policy. A softer US dollar also supported prices.
- The white metal started the week by losing 2.3 percent, the silver price had inched up to \$17 per ounce, gaining 0.6 percent. Meeting minutes from the central bank are due for release today (November 22), but market participants are already expecting another rate hike before the year ends.
- That could be bad news for silver, which tends to fare better when rates are low; that’s because higher interest rates increase the opportunity cost of holding non-yielding bullion.
- The Fed rate hike in December is roughly priced in and unless there are very hawkish minutes, it’s more that people are looking for direction about future moves.
- Higher interest rates could also boost the US dollar and put pressure on precious metals. A stronger greenback makes commodities priced in dollars more expensive for investors using other currencies.
- Precious metals were also supported Tuesday by political tension in Germany, which boosted demand for safe-haven assets like silver and gold. After talks on forming a three-way coalition government failed, Chancellor Angela Merkel said she would prefer a new election to leading a minority government.
- The important outside markets on Tuesday were in a mildly bullish posture for the precious metals. The U.S. dollar index was slightly lower. The greenback bulls still have the slight overall near-term technical advantage.
- Look for trading activity in many markets start to taper off later in today’s trading session and the rest of this week, ahead of the U.S. Thanksgiving holiday on Thursday.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01- Mar-16	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
08- Mar-16	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
15- Mar-16	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
22- Mar-16	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Wednesday, November 22, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Nov 22	17:00	USD MBA Mortgage Applications (NOV 17)	Medium			3.1%
Wed Nov 22	17:30	GBP U.K. Chancellor Presents Budget to Parliament	High			
Wed Nov 22	18:30	USD Initial Jobless Claims (NOV 18)	Medium		240k	249k
Wed Nov 22	18:30	USD Durable Goods Orders (OCT)	High		0.4%	2.0%
Wed Nov 22	20:00	EUR Euro-Zone Consumer Confidence (NOV)	Medium		-0.9	-1
Wed Nov 22	20:00	USD U. of Mich. Sentiment (NOV)	Medium		98	97.8
Wed Nov 22	20:30	USD DOE U.S. Crude Oil Inventories (NOV 17)	Medium		-1700k	1854k
Wed Nov 22	23:00	USD Baker Hughes U.S. Rig Count (NOV 24)	Medium			915
Wed Nov 22	00:00	USD FOMC Meeting Minutes (NOV 01)	High			

Source: *Forex Factory, DailyFX*

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