

Commodity News

Monday, March 04, 2019



Gold

Technical

Gold markets fell during the week, after initially trying to rally. It has broken down significantly, testing the trend line that has been a function of this market for some time. However, the recovery on Friday is looking rather good, so it is probably going to see a bit more consolidation. Beyond that, a significant amount of support below at the \$1300 level. There is a lot of resistance above the \$1350 level, and although it had a nice run higher. If it can break down below the \$1300 level, then the market changes its overall attitude, perhaps sending price down to the \$1275 level. Shorter-term investors will more than likely see a bit of choppiness in this general vicinity, and range bound trading between roughly \$1300 and \$1325.

Pivot:	1,304		
Support	1,290	1,286	1,276
Resistance	1,317	1,312	1,304

Source: FX EMPIRE

Highlights

- Gold prices may break a support at \$1,289 per ounce and it fall towards the next support at \$1,271
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- Dollar rose quite considerably last week and brought gold prices down
- The dollar was down about 0.1 percent against major currencies
- The first three weeks of February 2019 saw positive price action after investor sentiment and increased demand for safe-haven assets

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 higher today, after falling below the critical \$1,300 level to their lowest since Jan. 25 in the previous session, as the dollar softened on prospects of a trade deal between China and the United States.
- Spot gold was up 0.3 percent at \$1,296.61 per ounce, after touching its lowest in more than a month at 1,289.91 in the previous session. U.S gold futures were down 0.2 percent at \$1,297.20 per ounce.
- The global economy is still slowing and central banks should intervene to support their economy, which gives upside potential for gold in the medium-term.
- Gold is likely to be range bound, in the next three months, as good economic data from U.S gives reason to expect the Fed to hike rates at some stage this year.
- Gold prices broke the critical \$1,300 support level on Friday as global stock markets rose. Investors were becoming more risk seeking which was also negative for gold.
- The dollar got further pressure from U.S President Donald Trump's comments that the Federal Reserve's tight monetary policy was contributing to a strong dollar and hurting the United State's competitiveness.
- As prices dipped, SPDR Gold Trust holdings, the world's largest gold-backed exchange-traded fund, fell 1.50 percent on Friday, their biggest one-day percentage fall since December 2016. SPDR holdings have now given up all the gains it saw in January and are now down over 1.5 percent this year.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2018	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2019	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2019	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2019	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2019	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market fell back during the course of the week, reaching down towards the \$55 level before bouncing. At this point, it is obviously at an area where there is a lot of supply that can't get through, so it's not until it break above the \$58 level. If it break down below the \$55 level, it could very well find this market going down as low as \$52 underneath. Brent markets fell during the trading week, reaching towards the \$65 level, and looks as if it could fall a little bit further over here to find support. The \$64 level is an area that has been resistance in the past, so to see the market pulled back there would make quite a bit of sense. Brent markets have seen a complete shift in the attitude of participants, so there is an opportunity to pick up oil cheaply, but if it break out above the highs from the previous week, that's also an opportunity to go long and reach to the upside.

Pivot:	56.45		
Support	55.55	55.25	55.00
Resistance	57.25	56.85	56.45

Source: FX EMPIRE

Highlights

- Oil prices firmed today as the United States and China were reported to be close to signing a trade deal
- OPEC exports are off by over 1.5 million barrels per day since November
- The supply picture looks generally tighter this year as it is expected that Brent to average \$73 per barrel in 2019
- Brent lost 3.1 percent for the week, after rising 25 percent to start the year
- Hedge funds increased wagers on rising Brent crude prices for an eighth straight week, the longest streak since 2012

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 rose today, buoyed by output cuts by producer club OPEC and reports that the United States and China are close to a deal to end a bitter tariff row that has slowed global economic growth.
- International Brent futures were at \$65.36 a barrel, up 29 cents, or 0.5 percent, from their last close. U.S West Texas Intermediate crude futures were at \$56.07 per barrel, up 27 cents, or 0.5 percent.
- Crude has rallied this year as Russia and the Organization of Petroleum Exporting Countries curbed output to offset a global supply glut, while U.S sanctions isolated major suppliers Iran and Venezuela.
- Oil prices have been further pushed up by U.S sanctions against OPEC-members Iran and Venezuela, which Barclays bank estimates to have resulted in a reduction of around 2 million bpd in global crude supply.
- In the United States, there are signs that the oil production boom of the past years, which has seen crude output rise by more than 2 million bpd since early 2018 to more than 12 million bpd, may slow down.
- Supply from the Organization of the Petroleum Exporting Countries fell to a four-year low in February as top exporter Saudi Arabia and its allies over-delivered on the group's supply pact while Venezuelan output registered a further involuntary decline.
- U.S energy firms this week cut the number of oil rigs operating to the lowest in almost nine months as some producers follow through on plans to cut spending despite an over 20-percent increase in crude futures so far this year.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2018	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2019	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2019	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2019	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2019	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 down during the week, slicing through a major uptrend line. This of course is a very negative sign, and therefore it looks as if silver could be sending us a signal as far as precious metals are concerned. Gold is sitting at the precipice, but silver may have told us that precious metals are going to struggle. Silver does have a significant amount of support near the \$15.00 level, so don't be surprised at all if some type of supportive bounce in that area. However, if it continue to close for the week at the very bottom of the range, that is not a good look. At longer-term, silver doesn't mean that it is going to go straight to the upside. The \$16 level above is going to offer a significant amount of resistance. For a longer-term investor the Federal Reserve is very likely to become very dovish in the future, and that should continue to boost precious metals overall.

Pivot:	15.39		
Support	15.11	15.00	14.92
Resistance	15.62	15.50	15.39

Source: FX EMPIRE

Highlights

- Silver prices marked lower and hit a five-week bottom
- The keener risk appetite in the market place is partly due to notions the U.S and China, the world's two largest economies
- Spot silver gained today at 0.2 percent to \$15.22 per ounce
- The Fed's monetary policy will remain on hold due to the modest increase in risks to continued U.S economic expansion
- May Comex silver was last down \$0.074 at \$15.56 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

- As of Friday, silver prices in the European market dropped down, continuing its losing streak of three days, recording the lowest rates in two weeks and almost recording the third weekly loss as of the month, under the pressure of the United States Dollar's climb against a basket of global currencies.
- Silver prices fell at a rate of 0.45% and traded at \$15.53 an ounce, starting at \$15.60 with an intraday high \$15.62 and a low at \$15.49 which is the lowest rate in two weeks.
- Silver prices fell at a rate of 0.8% the second daily loss in a row, with a fall occurring to almost all of the metals that are connected to the USD. Silver prices dropped out at a rate of 2.3% over the current week, on the verge of enduring the third weekly loss over the on-going month.
- Silver prices dropped out at a rate of 2.75% over February, to record the first monthly loss in the last 3 months, as a reflect of the fragility of the safe insurance requests, and under the pressure of the USD.
- The USD index climbed up at a rate of 0.2% to continue its profit streak of three days, reflecting a continuous rise against a basket of other global currencies, which caused a negative pressure on almost all of the metals and goods that are connected to the USD.
- The continuous rise of the USD and having results even better than the expectations of the economical growth in the last quarter of the last year, fore told the hopes of the Federal Reserve to rise the American interest rates for once at least in the current year.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2018	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2018	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2018	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2018	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2019	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Monday, March 04, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Mar 04	04:50	JPY Monetary Base End of period (FEB)	Medium	¥497.3t		¥500.2t
Mon Mar 04	05:00	AUD TD Securities Inflation (YoY) (FEB)	Medium	1.70%		1.50%
Mon Mar 04	05:30	AUD Inventories SA (QoQ) (4Q)	Low	-0.2%	0.30%	-0.1%
Mon Mar 04	05:30	AUD Building Approvals (YoY) (JAN)	Medium	-28.60%	-28.90%	-22.00%
Mon Mar 04	14:00	CHF Domestic Sight Deposits CHF (MAR 01)	Low	491.4b		493.6b
Mon Mar 04	14:30	GBP Markit/CIPS UK Construction PMI (FEB)	Medium		50.5	50.6
Mon Mar 04	15:00	EUR Euro-Zone Producer Price Index (YoY) (JAN)	Low		2.90%	3.00%
Mon Mar 04	18:30	CAD MLI Leading Indicator (MoM) (JAN)	Low			-0.30%
Mon Mar 04	20:00	USD Construction Spending (MoM) (DEC)	Medium		0.20%	0.80%

Source: Forex Factory, DailyFX

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