

## Gold

### Technical

Gold markets initially tried to rally but then rolled over a bit to reach down to lower levels. This is a market that seems to have a lot of support near the \$1275 level. At this point, if it break down below the 200 day EMA, it will probably continue to go lower, perhaps down to the bottom of the overall consolidation at the \$1200 level. Investors will continue to look at this market, they will get thrown around, and this could offer plenty of trading opportunities. The real money is going to be for those who can hang onto the longer trade. All things being equal, this is going to have a lot to do with the US dollar, so pay attention to the US Dollar Index. If it falls, that could give us a bit help over here. The 200 day EMA on the downside in the \$1300 level on the upside for resistance.

Pivot:	1,285		
Support	1,285	1,281	1,276
Resistance	1,300	1,297	1,294

Source: FX EMPIRE

### Highlights

- Gold prices held close to a more than five-week low yesterday as the dollar firmed and global equity markets held near a five-month crest
- Gold prices have fallen nearly 5 percent since hitting a 10-month high of \$1,346.73 on Feb. 20
- The dollar index held near a two-week high hit in the previous session
- A lot of money was parked in gold at the start of the year, waiting for clarity on tariffs
- Global growth concerns are a long-term factor and will see some support coming in for gold

### 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 steadied today, after recovering from a more than five-week low in the previous session, supported by a pause in global equities' rally, while a firmer dollar curbed gains.
- Spot gold was steady at \$1,286.75 per ounce, after slipping to \$1,280.70 in the previous session, its lowest since Jan. 25. U.S gold futures were up about 0.3 percent at \$1,287.90 per ounce.
- Gold is firming after the sharp fall as competing influences of the interest bearing assets are reversing. Bond yields have started to weaken gently, and while the dollar is going up, equities are seeing headwinds.
- Gold in longer term is very much supported, partially due to shift in sentiments and global slowdown. In the shorter term, gold continues to show signs of bearish weakness and there is some room to go further south before it resumes its positive trend.
- Markets were a bit cautious over the Sino-U.S trade dispute and are awaiting developments in talks between the two major economies after a tit-for-tat tariff war.
- Gold is expected to hover above a support at \$1,283 per ounce, as it seems to be stabilising around this level. However, gold continues to see downwards pressure from outflows in exchange traded funds and a firmer dollar.
- Global equities remained near a five-month high, reducing demand for non-yielding bullion. The dollar stood within striking distance of a two-week high against peers on uplifting signs from the U.S economy and higher Treasury yields.

### 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 went back yesterday, as it continue to see a lot of choppiness and volatility. The \$58 level above is resistance, just as the \$55 level underneath is significant support. This is a market that will probably continue to go back and forth on a short-term basis, as it try to figure out what's happening next with global growth. Brent looks very much the same, as it just don't know where to go next. While it had a nice rally higher, it is stuck between the 50 day EMA on the bottom and the 200 day EMA on the top. If it do break out to the upside, it should then go to the \$70 level, possibly even the \$75 level after that. OPEC cuts could continue to produce upward pressure. If it get a softening US dollar, that could be the "one-two punch" that it need. It seems that it will see the buyers take over, but clearly they are ready to make that stand quite yet.

Pivot:	56.75		
Support	55.55	55.25	55.00
Resistance	57.55	57.20	56.75

Source: FX EMPIRE

### Highlights

- Oil futures moved lower yesterday, pressured by news that Libya has reopened its largest oil field
- China cut its economic growth target for this year to between 6% and 6.5%. An economic slowdown could hurt demand for energy
- The oil production of Libya will increase and thus of OPEC, by more than 300,000 barrels per day
- The EIA is forecast to report a climb of 1.9 million barrels in crude stockpiles
- Oil rose Monday as members of the OPEC and their allies continue to cut back on production levels

### 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 slipped today as bullish output forecasts by two big U.S producers and a build in weekly U.S crude stockpiles outweighed ongoing OPEC-led production cuts.
- International Brent crude futures were at \$65.36 per barrel, down 50 cents, or 0.8 percent, from their last settlement. U.S West Texas Intermediate crude oil futures were also down 0.8 percent, or 45 cents, at \$56.11 per barrel.
- Crude oil futures continue to demonstrate whippy trades as markets balance between OPEC-led cuts and the effects of rising U.S production levels. Meanwhile, the market is looking for further signs that the United States and China are making progress in talks to resolve their trade conflict.
- U.S crude inventories rose by 7.3 million barrels in the week ending March 1 to 451.5 million, compared with expectations for an increase of 1.2 million barrels, API said.
- An increase in U.S crude inventories is weighing on oil prices and in the long term, concerns over rising oil production in the Permian region is keeping a lid on prices.
- OPEC and its allies pledged to curb output by 1.2 million barrels per day, and they are likely to push back their decision whether or not to extend the output cut agreement to June from April.
- Prices in recent session have also seen support as members of the Organization of the Petroleum Exporting Countries and their allies continue to cut back on production levels. OPEC members pumped 30.68 million barrels a day in February, the lowest since 2015.

### 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 had a slightly negative session as it continue to bounce around the \$15.00 level. This is a market that will probably make a significant decision rather soon based upon this level. This is an area that was massive resistance previously, so there should be significant support here. If it break down below the \$14.90 level, then it could break down rather significantly to the \$14.50 level. If the dollar starts to fall apart, then silver could rally from here. Otherwise, if the US dollar strengthens significantly, that might be reason enough for Silver to fall apart and go looking towards the \$14.50 level, maybe even the \$14.00 level. There are a world of headwinds out there in both directions, as the global growth situation is a bit convoluted, it has the US/China trade situation, and of course a Federal Reserve that seems to be stepping away from a hawkish position.

Pivot:	15.03		
Support	15.03	14.98	14.90
Resistance	15.39	15.27	15.20

Source: FX EMPIRE

### Highlights

- Silver fell 4.4% over the past week, the third weekly loss in a month, driven by the rise of US dollar
- Spot silver lost 0.3 percent to \$15.08 per ounce, after slipping to its lowest since Dec. 27 in the previous session
- Silver, increasing its forecast for the precious metal in its latest commodities report
- May Comex silver was last steady at \$15.11 an ounce
- The silver market is defying gold's weakness with the precious metal modestly up on the day

### 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 prices stabilized in today's trading, despite gold dropping for its seventh consecutive session and the rise of the dollar against most of the major currencies, and concerns about the chinese economy annual growth.
- China announced today that it is targeting an economic growth of 6.0% to 6.5% in 2019, down from the 2018 growth rate of 6.6%. As a result, Beijing has confirmed its intention to raise incentives to support economic growth, including reducing Tax incidence on major businesses.
- Meanwhile, The Dollar against a number of major currencies rose by 0.3% to 96.8 points, with a high of 97.01 points and a low of 96.6 points. Silver futures May's delivery settled at to \$15.105 an ounce, which is the same as last session close, and a high of \$15.175 and a low of \$15.06.
- The safe-haven metals bulls are trying to stabilize prices after their recent downdrafts that produced some near-term technical damage. Silver markets are technically oversold on a short-term basis and due for corrective bounces.
- Investor risk appetites in recent weeks are keeping silver buyers scarcer. As long as world stock markets remain in near-term price uptrends it will be difficult for silver markets to sustain rallies.
- Higher rates can lead to more financial-market volatility and recession fears, boosting safe-haven demand for silver, while a rate cut boosts silver demand as it lowers opportunity cost of holding silver. At the same time, a high gold/silver price ratio should help incentivize investors to diversify some of their gold holdings into silver.

### 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

Wednesday, March 06, 2019



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Mar 06	03:10	AUD RBA Governor Lowe gives speech in Sydney	High			
Wed Mar 06	05:30	AUD Gross Domestic Product (YoY) (4Q)	High	2.30%	2.60%	2.70%
Wed Mar 06	13:30	EUR Markit Germany Construction PMI (FEB)	Medium	54.7		50.7
Wed Mar 06	15:00	EUR OECD Interim Economic Outlook	Medium			
Wed Mar 06	17:00	USD MBA Mortgage Applications (MAR 01)	Medium			5.30%
Wed Mar 06	18:15	USD ADP Employment Change (FEB)	Medium		190k	213k
Wed Mar 06	18:30	USD Trade Balance (DEC)	Medium		-\$57.8b	-\$49.3b
Wed Mar 06	20:00	CAD Bank of Canada Rate Decision (MAR 06)	High		1.75%	1.75%
Wed Mar 06	20:30	USD DOE U.S. Crude Oil Inventories (MAR 01)	Medium			-8647k

Source: Forex Factory, DailyFX

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