

Gold

Technical

Gold markets tried to rally a bit during the trading session yesterday but continues to struggle with the \$1300 level. The \$1300 level is of course a large, round, psychologically important figure. At this point, the previous channel underneath should continue to offer interest in the market, just as the 20 day EMA is underneath, which could also offer support. At this point, it's likely that pullbacks will be looked at as opportunities, as it try to build up the momentum to finally break out and go higher. Once it break above the \$1300 level, then it could go looking towards the \$1400 level above. The \$1400 level above is of course going to be a situation that will cause a lot of interest as well, as it has been massive resistance. If it break down below the \$1275 level, then it could have to pull back to the \$1250 level to reset the entire situation.

Pivot:	1,291		
Support	1,291	1,287	1,283
Resistance	1,308	1,304	1,300

Source: FX EMPIRE

Highlights

- Gold will likely approach the short term resistance of \$1,310 per ounce
- The weaker dollar and a more dovish Fed are the two most alluring factors for gold
- There are concerns for the U.S economy to slow down, perhaps towards the end of 2019 and into 2020, so the markets are pricing rate cuts
- The dollar slipped against other major currencies, after having rebounded from three-month lows
- A weaker dollar can be a positive for commodities priced in the U.S unit

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 climbed today as the dollar fell back on expectations the U.S central bank may pause interest rates hikes if the U.S economy slows this year, while investors awaited news on progress in the Sino-U.S trade talks.
- Spot gold rose 0.4 percent to \$1,290.84 per ounce, heading for a fourth straight weekly gain. The yellow metal is up 0.4 percent so far this week. U.S gold futures were up 0.3 percent at \$1,290.8 per ounce.
- The dollar slipped against other major currencies, after having rebounded from three-month lows yesterday following Federal Reserve Chairman Jerome Powell's comment which suggested the central bank is not done tightening monetary policy just yet.
- A partial U.S government shutdown extended into its 20th day and provided little comfort to the U.S currency, after President Donald Trump threatened to use emergency powers to bypass U.S Congress to pay for a wall on the U.S-Mexico border.
- Gold prices have failed to fall below \$1,277 and are now trying to attack again the \$1,300 level. If they manage to reach this threshold, there would be space for further rallies.
- There is some support from the Fed less likely to raise interest rates and yet on the other side a little lesser need for safe haven as it has seen a rebound in equities as of late.
- It seems the one constant in gold pricing throughout last year that continues to this day is that dollar strength or weakness has been the strongest force affecting its movement.

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 has gone back and forth during the trading session yesterday, as it has broken above the \$50 level, but still remains underneath the 50 day EMA. That's an area that of course will offer resistance that extends to the \$55 level as well. A break above the \$55 level should open up the door to much higher pricing, but in the short term it is looking at a small pullback, perhaps retesting the \$50 level to find value. The 20 day EMA underneath should offer dynamic support at this point. If it break down below there, then it could see a return to the \$45 handle. Brent markets had a bit of a choppy and sideways, as it is hanging just below the 50 day EMA. The \$60 level underneath should be support, such as the 20 day EMA will as well. However, at this point if it break above the 50 day EMA, extensively the \$62 handle, then Brent could lead the way to much higher levels.

Pivot:	51.10		
Support	51.10	50.20	49.50
Resistance	54.40	53.80	52.55

Source: FX EMPIRE

Highlights

- Oil slipped today amid concerns over the outlook for the global economy
- Global economic growth forecasts below 3 percent for 2019
- Oil markets are receiving support from supply cuts led by the OPEC aimed at reining in a glut that emerged in the second-half of 2018
- Investors are becoming increasingly confident that OPEC+ production cuts will balance the market
- Iran's crude exports in November plummeted to below 1 million barrels per day

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

- U.S oil prices edged down today as concerns over economic growth were rekindled after talks fell short of offering concrete steps to end the Sino-U.S trade conflict.
- Oil prices were also supported by comments from U.S Federal Reserve Chairman Jerome Powell that the central bank had the ability to be patient on monetary policy. U.S West Texas Intermediate crude futures had slipped 23 cents, or 0.4 percent, from their last settlement to \$52.36 per barrel.
- U.S crude was on track for a second consecutive week of gains and its largest weekly percentage increase in more than two years. WTI has climbed about 9% so far this week, its biggest weekly rise since December, 2016.
- China said three days of talks with the United States that wrapped up on Wednesday had established a "foundation" to resolve differences over trade. But it gave few details on key issues at stake, including a scheduled U.S tariff increase on \$200 billion worth of Chinese imports.
- Saudi Arabia said earlier this week that supply curbs started in late 2018 by the Organization of the Petroleum Exporting Countries and non-OPEC producers including Russia, would bring the oil market into balance.
- Saudi is turning the screws on export supply in order to re-balance the market in their favour. Prices are maintaining highs which suggests that the recent bullish move is not yet over.
- Product stockpiles, however, climbed by much more than the market expected. Gasoline stockpiles rose 8.1 million barrels last week, while distillate stockpiles rose by 10.6 million barrels, according to the EIA.

US Commodity Futures Trading Commission (CFTC) Data

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	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 have pulled back a bit during the trading session yesterday as it continue to consolidate below the \$16 level. The \$15.50 level underneath should continue to be support, just as the 20 day EMA will underneath. At this point, it's obvious that silver is bullish and with the Federal Reserve acquiescing to the Wall Street pressure, it looks as if they are going to try to keep the value of the US dollar down. Looking at this chart, the massive support is closer to the \$15 level, an area that would be an excellent buying opportunity if it do pull back to that level. However, it is going to, based upon the very bullish move that is recently had. If it can break above the \$16 level, then it should have the next leg up, which sends this market looking for the \$17 level over the longer-term. Silver had been basing for ages, so it is looking at a longer-term changing trend.

Pivot:	15.66		
Support	15.66	15.60	15.55
Resistance	15.98	15.87	15.81

Source: FX EMPIRE

Highlights

- Silver climbed 0.6 percent to \$15.65. However, it was poised to snap three sessions of weekly gains
- Continued financial market volatility and a weaker US dollar should continue to support silver prices
- Silver's weakness in the second half of last year was a "failed bear-market raid"
- March Comex silver was down \$0.085 at \$15.65 an ounce
- Silver disappointed many investors last year, becoming "the most hated precious metal" of 2018

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 are modestly down in early-afternoon U.S trading yesterday. The safe-haven metals are seeing some selling pressure as the U.S dollar and U.S stock market have pushed to higher levels on the day. However, the metal's resilience in the face of extreme weakness could mark a long-term bottom for the precious metal as buying momentum picks up.
- The precious metal silver is seeing a strong start in 2019, with prices near their highest levels in almost six months. It is a great buying opportunity for investors now. Silver prices inched up in European trade for another session as the dollar weakened against a basket of major rivals as bets of US rate hikes in 2019 diminish.
- Silver prices rose over 0.1% as of to \$15.74 an ounce, with an intraday high at \$15.78, and a low at \$15.68. Silver rose 0.6% on Wednesday, the first profit in four days as the dollar tumbled following the Fed's minutes.
- The dollar index lost 0.1% yesterday on track for a second decline, marking three-month lows at 94.62, in turn boosting dollar-denominated commodity futures such as silver.
- The pressures on the dollar came as investors expect a slower pace of US rate hikes in 2019 according to the Fed's meeting minutes. The minutes showed several policymakers favor maintaining interest rates unchanged this year, while hinging a hike solely on data.
- Federal Reserve Chair Jerome Powell is scheduled to speak at the Economic Club of Washington DC later today, with investors hoping for more clues on the future of interest rates.

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

Friday, January 11, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Jan 11	14:30	GBP Manufacturing Production (YoY) (NOV)	Medium		-0.7%	-1.0%
Fri Jan 11	14:30	GBP Construction Output SA (YoY) (NOV)	Medium		2.6%	3.8%
Fri Jan 11	14:30	GBP Gross Domestic Product (MoM) (NOV)	Medium		0.1%	0.1%
Fri Jan 11	18:30	USD Consumer Price Index (MoM) (DEC)	Medium		-0.1%	0.0%
Fri Jan 11	18:30	USD Trade Balance (NOV)	Medium		-\$54.0b	-\$55.5b
Fri Jan 11	18:30	USD Consumer Price Index (YoY) (DEC)	High		1.9%	2.2%
Fri Jan 11	18:30	USD Consumer Price Index Ex Food and Energy (YoY) (DEC)	High		2.2%	2.2%
Fri Jan 11	18:30	USD Real Avg Weekly Earnings (YoY) (DEC)	Medium			0.5%
Fri Jan 11	20:00	USD Wholesale Trade Sales (MoM) (NOV)	Low			-0.2%

Source: Forex Factory, DailyFX

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