

Gold

Technical

Gold markets went back and forth during the trading session yesterday, as it is caught between a couple of major levels. The \$1300 level above is major resistance, and of course is psychologically important. If it can break above that level, then the market could go to the \$1400 level but it also believe that there would be interested in selling near the \$1325 level, and every \$25 until it get to the \$1400 handle. The \$1250 level underneath is massive support, market participants will continue to sell the US dollar, and perhaps pick up gold. Ultimately, this is a market that continues to see a lot of headwinds in both directions, so at this point it's going to continue to be difficult but eventually it get a daily close above the \$1300 level that should send this market much higher.

Pivot:	1,293		
Support	1,286	1,284	1,279
Resistance	1,297	1,295	1,293

Source: FX EMPIRE

Highlights

- Gold eased yesterday as the dollar rose and stock markets climbed
- A slowdown in the pace of rate hikes would help support gold, which tends to benefit from looser monetary policy
- Spot gold was up 0.1 percent at \$1,290.56 per ounce
- U.S gold futures had risen 0.2 percent to \$1,290.60 per ounce
- Right now, there is a lot of insecurity about the stock markets, global economy and trade

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 inched up today on expectations of a pause in U.S interest rate hikes and as the dollar weakened against the pound after lawmakers voted down British Prime Minister Theresa May's deal to leave the European Union.
- Gold tends to gain on expectations of lower interest rates, as they reduce the opportunity cost of holding non-yielding bullion. Lower interest rates also tend to weigh on U.S yields and the dollar, in which gold is priced.
- Prices for the metal, based on the most-active contracts, tapped an intraday high of \$1,300.40 on Jan. 4, but haven't settled at or above \$1,300 since June. Political uncertainty in the United States and the eventual fate of the Brexit vote will keep gold bid as investors look for a safe haven.
- Also weighing on gold was a stronger greenback, which gained after weak economic data from Germany impaired the euro, making the metal more expensive for holders of other currencies.
- Gold has been on a good run over the past few weeks, having hit its highest since mid-June on Jan. 4 at \$1,298.42 an ounce, drawing support from a dovish stance from the Federal Reserve.
- Gold is highly sensitive to rising interest rates, which lift the opportunity cost of holding non-yielding bullion. It view 2019 as a year of assets rebalancing and fresh money to flow into gold.
- Despite gold having already priced in a widely expected defeat for the British Prime Minister, uncertainty lies in what will happen after the vote, which "could generate some interest in gold" in Europe.

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 rallied a bit during the trading session yesterday, using the \$50 level as support. If it can break above the 50 day EMA, that could send this market much higher, perhaps reaching towards the \$57.50 level, perhaps even the \$60 level. At this point, pullbacks will continue to find plenty of support though, and the market will continue to find value hunters. Brent markets continue to show signs of support at the 20 day EMA, and the 50 day EMA above is resistance. If it can break above the 50 day EMA over here, it will probably go to the \$65 handle. If it can break out above that level, then it continue to go much higher. If it break down below the 20 day EMA, it will probably go looking towards the \$55 level, an area that should be supportive. Ultimately, the market will find plenty of value hunters out there, at the very least it is looking for some type of bounce.

Pivot:	51.60		
Support	51.60	51.10	50.40
Resistance	53.85	53.30	52.75

Source: FX EMPIRE

Highlights

- Oil prices rose about 3 percent yesterday, along with world stock markets
- Prices for natural gas jumped by roughly 16% to a more than one-week high
- The oil market remains amply supplied and prices are set to trade rangebound
- EIA estimates that U.S crude oil production approached 11 million barrels per day in 2018, which broke the record set in 1970
- OPEC is expected to release its monthly oil market report

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 were steady today as signs of a global economic slowdown were countered by OPEC-led supply cuts which helped support Brent crude futures above \$60 per barrel.
- International Brent crude oil futures were at \$60.66 per barrel, 2 cents above their last close. U.S West Texas Intermediate crude futures were flat from their last settlement, at \$52.11 a barrel.
- Oil markets are receiving support from supply cuts started late last year by producer group the Organization of the Petroleum Exporting Countries and major non-OPEC producer Russia.
- However, surging U.S crude oil production, which hit a record 11.7 million barrels per day late last year, threatens to undermine the OPEC-led efforts. The output cut agreed between OPEC+ is expected to support prices in longer term.
- U.S crude oil output is expected to rise to a record of more than 12 million bpd this year and to climb to nearly 13 million bpd next year, the U.S Energy Information Administration said yesterday, in its first 2020 forecast.
- Oil prices are expected to oscillate close to current levels, with Brent prices in 2019 expected to average \$65 per barrel, unchanged from surveys in 2016, 2017 and 2018.
- Crude prices have risen by more than 20% from annual lows reached at the end of 2018, on signs a global oversupply is being brought into balance, in part because of a production pledge by Organization of the Petroleum Exporting Countries-plus members.

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 continue to go sideways in what is rather uneventful trading. The \$15.50 level underneath continues to be important support, and I think the 20 day EMA sitting just below there of course will help. A move towards the \$16 level is coming, if it can break above that psychologically and structurally important level, then the market can go much higher. The flag measures roughly \$1.00, which would have the market looking at just about \$17, an area that has been important in the passive certainly would make a lot of sense. Beyond that, if it pull back from here it could see support at the 50 day EMA, and of course the \$15 level after that. At this point, investors are waiting for a bit of value to get involved, so therefore the buyers of dips will continue to run this market. Beyond that, the Federal Reserve looks a bit soft now, so that should help precious metals.

Pivot:	15.65		
Support	15.50	15.46	15.41
Resistance	15.76	15.69	15.65

Source: FX EMPIRE

Highlights

- Silver prices marked lower to 0.32 percent to \$15.59
- silver did not have a good ride though fundamentals in terms of industrial demand from solar panels and electric vehicles remain strong
- Silver output last year was 12.95 million ounces, an 8% rise from the prior year
- Silver-equivalent production for the full-year was listed at 35.6 million ounces
- March Comex silver was down \$0.091 at \$15.595 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 prices are weaker in early-afternoon U.S trading yesterday, as higher world stock markets have investors in upbeat moods early this week. A higher U.S dollar index today also worked against the precious metals market bulls.
- Silver output fell in the fourth quarter and full-year 2018. The company lists fourth-quarter silver output of 2.7 million ounces, down 9% from 3 million in the same period a year ago. Production for all of 2018 was 10.4 million ounces, down 17% from 12.5 million. Full-year silver-equivalent production was listed at 43.6 million ounces.
- Silver futures tilted lower in Asian trade as the dollar index rose off October 16 lows for the fourth session out of five, ahead of US housing and import prices data, while the US government shutdown continues.
- Silver futures due in March shed 0.06% to \$15.61 an ounce, while the dollar index added 0.02% to 95.96. Now investors await US data on import prices, expected to show a 1% drop in December, compared to a 0.5% increase in November, while an index tracking housing prices rose to 61 from 60.
- The global equities markets were boosted in part on news China's central bank said it will act to stimulate the world's second-largest economy via tax cuts, more credit availability to smaller companies and infrastructure spending.
- Multiplying risks to the U.S recovery, including now a self-imposed government shutdown, have broadened calls among even hawkish Federal Reserve officials to be patient before raising interest rates again.

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, January 16, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Jan 16	12:00	EUR German Consumer Price Index (YoY) (DEC F)	Medium	1.7%	1.7%	1.7%
Wed Jan 16	14:30	GBP Consumer Price Index (MoM) (DEC)	Medium	0.2%	0.2%	0.2%
Wed Jan 16	14:30	GBP Core Consumer Price Index (YoY) (DEC)	High	1.9%	1.8%	1.8%
Wed Jan 16	14:30	GBP Retail Price Index (MoM) (DEC)	Low	0.4%	0.5%	0.0%
Wed Jan 16	14:30	GBP Producer Price Index Output n.s.a. (MoM) (DEC)	Low	-0.3%	0.0%	0.1%
Wed Jan 16	14:30	GBP House Price Index (YoY) (NOV)	Medium	2.8%	3.0%	2.7%
Wed Jan 16	18:30	USD Import Price Index ex Petroleum (MoM) (DEC)	Medium		-0.1%	-0.3%
Wed Jan 16	18:30	USD Export Price Index (YoY) (DEC)	Medium			1.8%
Wed Jan 16	20:30	USD DOE U.S. Crude Oil Inventories (JAN 11)	Medium			-1680k

Source: Forex Factory, DailyFX

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