

Gold

Technical

Gold markets pulled back a bit during the trading session yesterday, testing the lower part of the hammer from the previous session. It could see this market bounce from here, as long as it can stay above the top of the candle from Tuesday. After all, it had recently seen a lot of consolidation in this area. The \$1300 level above is massive resistance, so it will probably take a certain amount of momentum building to get there. If it break down below the hammer from the trading session, then the market probably goes looking towards the 50 day EMA. The gold markets have found a lot of support based upon the Tuesday candle stick and it can expect some kind of slow grind higher more than anything else. If it break down below the 50 day EMA, that would of course be a very negative sign.

Pivot:	1,283		
Support	1,276	1,274	1,270
Resistance	1,289	1,286	1,283

Source: FX EMPIRE

Highlights

- Gold prices ended slightly higher as weakness in the leading dollar index offered support
- Gold's strength is due to the weakness in equities continuing. Investors are starting to run towards gold as a safe haven
- If the physical demand continues to increase at this pace, it would support the gold price even strongly
- The investors stepped in and defended the \$1,280 level
- February gold futures were last down \$2.50 an ounce at \$1,280.70

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 yesterday, clawing back from losses made earlier in the session, as a recovery in stock markets fizzled out on concerns over geopolitical and economic uncertainty, triggering investors to seek safety in the metal.
- Spot gold was little changed to \$1,283.43 an ounce, having fallen to \$1,278 an ounce earlier in the session. U.S gold futures settled unchanged at \$1,284. The sellers tried to push gold through support.
- Falling global equities earlier in the session proved only temporary, as a global index of stock markets turned negative when jitters over U.S politics and the state of the world economy eclipsed a boost from quarterly earnings reports.
- Renewed safe-haven buying and portfolio diversification as investors seek protection from market turbulences, potential recessions, and growing bearish sentiment.
- Gold's appeal was a falling dollar index, which touched a five-day low. The dollar, which rose amidst trade tensions between the U.S and China, overtook gold as investors' favoured hedge against uncertainties in 2018.
- Gold tends to gain on expectations of lower interest rates, which reduce the opportunity cost of holding non-yielding bullion. Another rationale for the weaker dollar is that the U.S national debt just keeps growing and gold appreciates alongside the U.S debt.
- As gold continues to consolidate, the battle is on in what is the toughest pattern to trade. Consolidation, also known as the greatest time of uncertainty, causes the weak hands to panic every time support is tested, leaving those who understand the pattern and know that it's a good time to buy.

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 tried to rally during the trading session yesterday but gave back quite a bit of the gains as it continue to see a lot of noise just below the vital \$55 level. That's an area that has been both support and resistance as of late, and as it continue to try to change the overall trend, it's going to take a lot of effort to break through there. However, once the market can get above the \$55 level it is likely to continue going much higher and take off to the upside for a larger move. In general, the idea of buying dips, with the idea that the 20 day EMA will cause a significant amount of technical support. Brent markets of course looks very similar as it would expect. The 20 day EMA is underneath at the \$60 level, and the 50 day EMA is slicing through the candle stick for the day. If it can break above the \$64 level, the Brent will also take off to the upside.

Pivot:	52.95		
Support	51.85	51.30	50.95
Resistance	53.65	53.35	52.95

Source: FX EMPIRE

Highlights

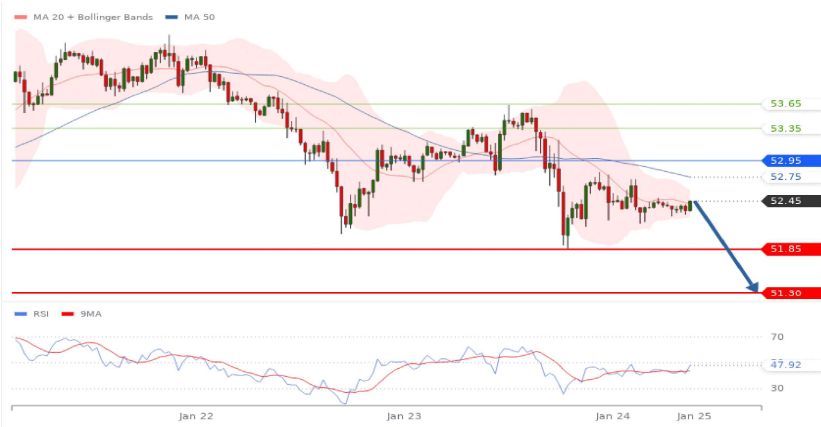
- Oil prices slipped as the European Union seeks to circumvent U.S trade sanctions against Iran, and on weaker U.S gasoline prices
- Oil prices have demonstrated for higher upside potential in the first quarter of 2019
- Falling U.S gasoline prices and rising crude output in the U.S were also pressuring the crude market
- Crude prices had fallen 2 percent on Tuesday as financialmarkets reeled from concerns over the global economy
- Oil prices have been supported by production cutsled by the OPEC to rein in an emerging supply glut

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 declined today amid lingering concerns over slowing global economic growth that may limit fuel demand and after a surprise build in U.S crude inventories.
- International Brent crude oil futures were at \$60.89 a barrel, down 25 cents, or 0.4 percent, from their last settlement, having closed down 0.6 percent in the previous session. U.S West Texas Intermediate crude futures were at \$52.40 per barrel, 22 cents lower from their last settlement.
- Crude oil came under further pressure as concerns of faltering global growth remained at the forefront in investor's minds. The prospects of future oil demand are getting clouded by the global growth worries.
- With the IMF downgrading 2019/20 and the continued rhetoric from Davos reiterating that they expect global growth to slow down over the next two years, is providing selling pressure in oil.
- Earlier this week, the International Monetary Fund (IMF) cut its world economic growth forecasts for 2019 and 2020, due to weakness in Europe and some emerging markets.
- Oil market sentiment was also weakened by an increase in U.S crude inventories after refineries cut output, data from industry group the American Petroleum Institute showed yesterday.
- Crude inventories rose by 6.6 million barrels in the week ended Jan. 18 to 443.6 million, compared with analysts' expectations for a decrease of 42,000 barrels, the API said. Refinery runs fell by 152,000 barrels per day.

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 broke to the upside, breaking the top of the hammer from the Tuesday session, a typical buying scenario. However, it has given back quite a bit of the gains and formed a less than impressive candlestick. Ultimately, the market continues to go back and forth in this little bit of area, perhaps trying to build up a bit of confidence. After all, it had seen a lot of bullish pressure until about two weeks ago when it pulled back. It has pulled back to the 61.8% Fibonacci retracement level, at roughly \$15.22 just below. However, until it break down below the hammer from the Tuesday session, the uptrend is intact. If it break down below the hammer from Tuesday, then the market could go down to the \$15 level after that. The alternate scenario of course is that it break above the \$15.50 level, and then continue to go higher, perhaps reaching towards the \$16 level after that.

Pivot:	15.37		
Support	15.22	15.16	15.09
Resistance	15.48	15.43	15.37

Source: FX EMPIRE

Highlights

- Silver prices marked lower 0.1 percent to \$15.20 an ounce
- Silver prices dropped to three-week lows, the metal investors need a fresh fundamental spark to help drive price direction
- Silver prices moved down 0.19 per cent as speculators trimmed their positions
- Investors are offloading of positions by participants on the back of weak global trend, mainly weighed on silver prices at futures trade
- U.S stock indexes have lost their early gains, which is also benefitting the precious metals

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 rose today as the dollar gave up ground, with the metal attracting some investments while the stock market wavers. Silver futures rose in Asian trade off December 27 lows for another session, as the dollar index moved little, after Bank of Japan's policy meeting and ahead of US data later today.
- Metals are hurt by weak prospects for global growth, especially from China. Recent Chinese data showed a 6.6% growth rate in 2018, the slowest in 28 years. U.S stock indexes have lost their early gains, which is also benefitting the precious metals market bulls.
- The dollar index fell 0.2% as of 19:34 GMT to 95.7, with a session-high at 96.04, and a low at 95.7. Silver futures due in March rose a solid 0.4%, or 5.5 cents to \$15.38 an ounce.
- Silver futures due in March rose 0.39% to \$15.38 an ounce away from four-week lows, while the dollar index barely inched up to 96.31. Now investors await US data on housing prices, expected with a 0.2% increase, down from 0.3% in October, while the Richmond manufacturing index is estimated at minus 6 from minus 8 in December.
- Bank of Japan voted to hold interest rates unchanged at minus 0.10% at its latest policy meeting as expected by analysts, as the bank continues to commit to the path of easing monetary policies and maintaining borrowing costs at low levels.
- Earlier reports indicated China's central bank is pumping \$38 billion into local banks through new medium-term lending tools to encourage lending to small companies and underpin growth.

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	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

Thursday, January 24, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs Jan 24	05:30	AUD Unemployment Rate (DEC)	High	5.0%	5.1%	5.1%
Thurs Jan 24	17:45	EUR ECB Marginal Lending Facility (JAN 24)	High		0.25%	0.25%
Thurs Jan 24	17:45	EUR ECB Deposit Facility Rate (JAN 24)	High		-0.40%	-0.40%
Thurs Jan 24	18:30	USD Initial Jobless Claims (JAN 19)	Medium		215k	213k
Thurs Jan 24	18:30	USD Continuing Claims (JAN 12)	Medium			1737k
Thurs Jan 24	19:45	USD Markit US Manufacturing PMI (JAN P)	Medium		53.5	53.8
Thurs Jan 24	19:45	USD Markit US Services PMI (JAN P)	Medium		54.1	54.4
Thurs Jan 24	20:00	USD Leading Index (DEC)	Medium		-0.1%	0.2%
Thurs Jan 24	21:00	USD DOE U.S. Crude Oil Inventories (JAN 18)	Medium			-2683k

Source: Forex Factory, DailyFX

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