

Commodity News

Thursday, March 28, 2019



Gold

Technical

Gold prices fell yesterday as safe-haven buyers sought protection in the U.S Dollar after British Prime Minister Theresa May announced she will step down as the leader of the United Kingdom if her Brexit deal finally secures a majority in parliament. The dollar rose despite another plunge in U.S Treasury yields. The strength in the greenback dampened foreign demand for dollar-denominated gold. The main trend is down and the market isn't close to turning the main trend to up. This will occur if buyers can take out \$1356.00. Gold contract range is \$1410.30 to \$1189.30. Its retracement zone is \$1299.80 to \$1325.90. The market is currently trading inside this zone. It is controlling the longer-term direction of gold. The main range is \$1356.00 to \$1287.50.

Pivot:	1,313		
Support	1,307	1,303	1,298
Resistance	1,319	1,317	1,313

Source: FX EMPIRE

Highlights

- Gold has gained more than 13 percent since touching more than 1-1/2-year lows last August
- A stronger U.S dollar was acting as a headwind to gold
- Concerns that the global economy will slow pushed bond yields lower, providing support for gold
- The falling yields are reducing the opportunity cost of holding the bullion, which is supportive for gold prices
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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 up yesterday as weak stock markets and falling bond yields reflected worries about a global economic slowdown and lifted safe-haven assets.
- Spot gold was up 0.1 percent at \$1,316.61 per ounce, after falling about 0.5 percent on Tuesday. U.S gold futures were also up 0.1 percent, at \$1,315.5 an ounce.
- The 10-year U.S Treasury yield fell further, having fallen below the yield for three-month bills on Friday for the first time since 2007, inverting the yield curve. An inversion is widely seen as indicating an economic recession.
- Global equity markets nudged down on Wednesday as investors hoped central bank action in the world's biggest economies could temper some of the slowdown in global growth.
- Gold has gained more than 13 percent since touching more than 1-1/2-year lows last August, on the back of a dovish U.S Federal Reserve and global growth concerns.
- The 10-year U.S Treasury yield fell further, having fallen below the yield for three-month bills on Friday for the first time since 2007, inverting the yield curve. An inversion is widely seen as indicating an economic recession.
- Stock markets are turbulent and bond yields are coming down on concerns about a slowdown in the global economy. Global equity markets were flat on day, with European stock markets paring most of their early gains.

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 a bit during the trading session yesterday, as it got a surprise build in inventory numbers in America. This is bearish for crude oil, but more importantly it has the massive resistance at the \$60 level that has been such a major place of interest in this market. If it can break above the top of the candle stick for the last couple of days, then it can continue to go towards \$65. Brent markets have rallied a bit during the trading session initially yesterday only to turn around and fall towards the \$67 level. The 200 day EMA is sitting right in that area, and it would be anticipated that there should be buyers underneath. Beyond that, the 50 day EMA sits underneath the \$65.50 handle. The US dollar that could also influence oil markets as well, because if it starts to fall then it might get a bit of that “knock on effect” that commodities follow from the currency markets.

Pivot:	59.55		
Support	58.80	58.50	58.15
Resistance	60.10	59.80	59.55

Source: FX EMPIRE

Highlights

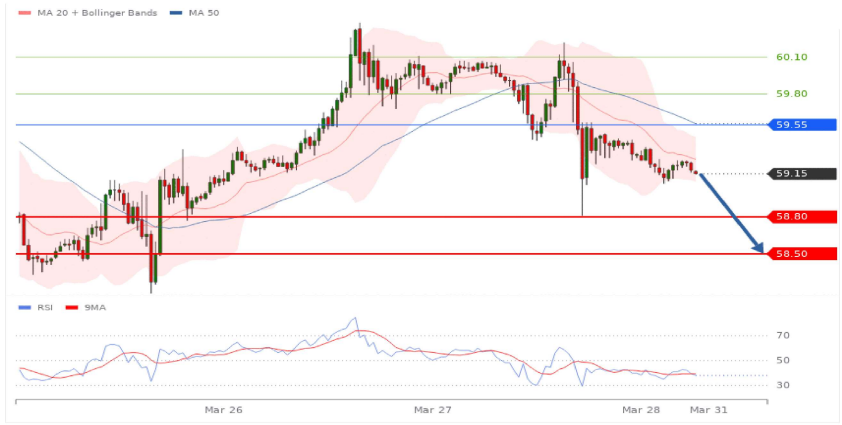
- Crude oil prices fell slightly after the EIA reported a moderate build in U.S crude oil inventories for the week to March 22
- Oil prices have risen more than 25 percent this year
- Crude exports marked lower by 506,000 barrels per day
- A surprise drop in refining activity has translated into an unexpected build to crude inventories
- Refineries last week processed 15.8 million barrels of crude daily, compared to 16.2 million bpd a week earlier

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 fell yesterday after government data showed U.S crude stockpiles unexpectedly rose last week, though disruptions to Venezuela's crude exports limited losses.
- U.S West Texas Intermediate crude futures settled 53 cents lower at \$59.41 per barrel, posting a nearly 1 percent loss yesterday. International benchmark Brent crude fell 14 cents at \$67.83.
- U.S crude inventories rose last week by 2.8 million barrels, compared with analysts' expectations for a decrease of 1.2 million barrels, the U.S Energy Information Administration said.
- Oil prices have rebounded roughly 30 percent from 2018 lows, supported by supply curbs by the Organization of the Petroleum Exporting Countries and other major producers, along with U.S sanctions on exports from Venezuela and Iran.
- Oil output from Russia, OPEC's biggest non-member ally, averaged 11.3 million barrels per day so far in March, sources said, compared with 11.34 million barrels each day the previous month.
- Gasoline production averaged 9.7 million bpd last week, from 9.9 million bpd in the week before. Gasoline inventories fell by 2.9 million barrels, after a draw of 4.6 million barrels in the previous week.
- Distillate fuel production averaged 4.9 million bpd last week, virtually unchanged on the week. Distillate fuel inventories fell by 2.1 million barrels. Supplies of gasoline fell by 2.9 million barrels, while distillates declined by 2.1 million barrels last week.

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 fell yesterday, breaking down below the \$15.30 level. It had also broken below the 200 day EMA and the 50 day EMA, both of which were flat, to show signs of selling pressure. At this point, it's very likely that it is going to continue to see the market rotate between the \$15.00 level underneath and the \$15.50 level above. It had recently tested the bottom of a major uptrend line and have rolled over since then. Because of that it makes sense that it would find sellers. To the upside, if it can clear the previous uptrend line, roughly at \$15.60, then the market will go looking towards the \$16 level above which is a major resistance barrier. This market tends to react to the greenback strength or weakness, as the commodity is priced in those very same greenbacks. If it get US dollar weakness that could lift this market above that uptrend line.

Pivot:	15.35		
Support	15.23	15.13	15.10
Resistance	15.47	15.40	15.35

Source: FX EMPIRE

Highlights

- Silver prices were down and kept unchanged at \$15.44 an ounce
- The US dollar index rose, its highest since March 13th compared to the opening at 96.75
- Federal Reserve policy makers kept interest rates in between 2.25% and 2.50%
- The U.S economy is expected to slow this year, while the central bank is supporting economic growth by risking inflation pressures
- May Comex silver was last down \$0.114 at \$15.315 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 fell for the second straight session yesterday, weighed down by investors turning away from precious metals to bond-holding as a safe haven in the face of global economic concerns.
- Some mild profit-taking pressure from recent gains and a firmer U.S dollar index on this day helped to pressure the precious metals markets. Still, losses were limited today by some safe-haven buying interest amid a bit more risk aversion in the world marketplace at mid-week.
- The dollar index against a number of major currencies stabilized at 96.8 points, with a high of 96.9 points and a low of 96.6 points. While silver futures May delivery fell by 0.9% to \$15.298 an ounce, the metal hit a high of \$15.475 and a low of \$15.27.
- Returning to the US, tomorrow's the final reading of US economic growth will be released about the last quarter of previous year, with expectations for growth slowing to 2.4% from 2.6%.
- With the Federal Reserve and the European Central Bank cutting their forecasts for slower growth in the United States and the eurozone this year, with the release of data boosting these forecasts, which made worries take over markets on the prospects for a slowdown in global economic growth.
- U.S stock indexes are weaker. There is some elevated risk aversion in the world marketplace at mid-week, mainly due to worries about slowing global economic growth. U.S Treasury yields briefly inverted last week when the short-term 3-month note yield moved above the 10-year note yield.

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

Thursday, March 28, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs Mar 28	05:00	NZD ANZ Activity Outlook (MAR)	Medium	6.3		10.5
Thurs Mar 28	17:30	USD Gross Domestic Product Annualized (QoQ) (4Q T)	High		2.40%	2.60%
Thurs Mar 28	17:30	USD Personal Consumption (4Q T)	Medium		2.60%	2.80%
Thurs Mar 28	17:30	USD Gross Domestic Product Price Index (4Q T)	Medium		1.80%	1.80%
Thurs Mar 28	17:30	USD Core PCE (QoQ) (4Q T)	Medium		1.70%	1.70%
Thurs Mar 28	17:30	USD Initial Jobless Claims (MAR 23)	Medium		225k	221k
Thurs Mar 28	17:30	USD Continuing Claims (MAR 16)	Medium			1750k
Thurs Mar 28	18:00	EUR German Consumer Price Index (YoY) (MAR P)	High		1.50%	1.50%
Thurs Mar 28	19:00	USD Pending Home Sales (YoY) (FEB)	Medium			-3.20%

Source: Forex Factory, DailyFX

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