

Technical Speculator

Timely Analysis for the Informed Investor

MARKETS - COMMODITIES - CURRENCIES

July 2017



Commodities

Lots and lots of rollovers

KEY POINTS:

- CRB weakens; rollover is developing
- Livestock is again the top performer
- WTIC keeps drifting
- Flat, range-bound outlook for gas as summer develops
- Gold remains boxed in between \$1,196 and \$1,300
- Another rally ends for silver
- Short-term sag continues for industrial metals
- Livestock prices have a "pause that refreshes" moment
- U.S. dollar points lower this month

is coming from sagging oil prices. Buying momentum (Relative Strength Index [RSI]) is in the negative zone (25 to 45) and the CRB remains pinned beneath a falling 50-week moving average (m/a) – all confirming the downward trend (Chart 1).

The next downside target is 155. Remain on the sidelines.

Commodity performance: Livestock

Posting yet another month of high performance, the S&P livestock sector was the best-performing commodity group with a 6.17% rise over the last 90 days. The S&P energy sector had the lowest performance and was the only natural-resource group that under-performed the benchmark CRB (Chart 2).

CRB outlook: Slow decline



The Commodity Research Bureau (CRB) Index continues its downward drift that started in March. Most of the pullback

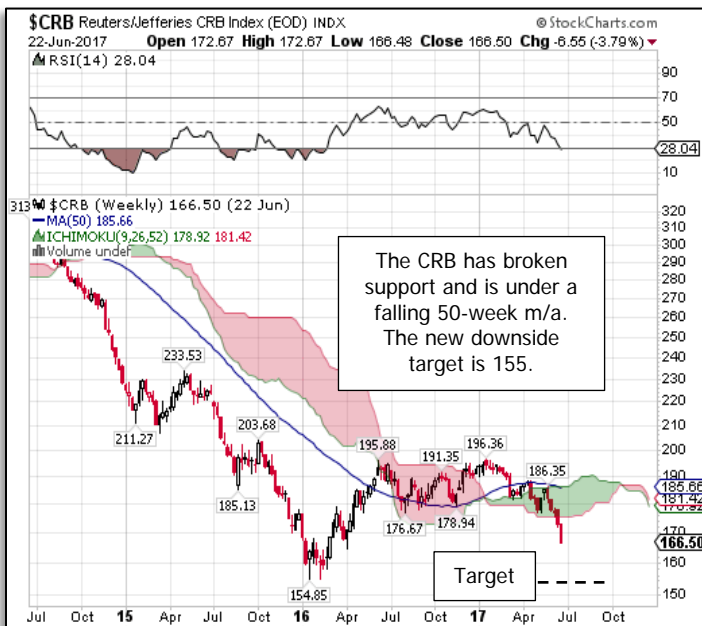


Chart 1

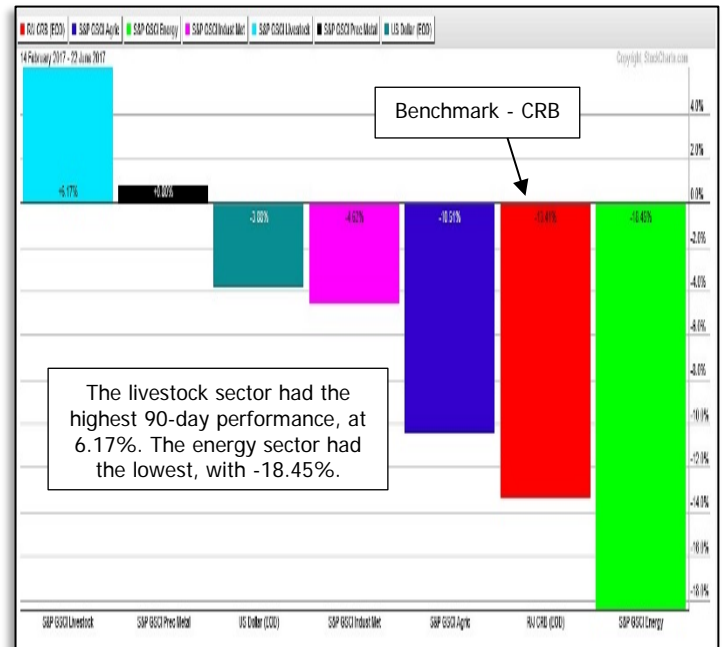


Chart 2

WTIC: Price weakness continues

Little has changed from our outlook last month for oil prices (June issue, page 2). The position is for more