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Commodities Tread Water in Asia - Where Do We Go From Here?

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Talking Points

- **Commodities Consolidate in Asia as Markets Wait for Directional Momentum**
- **S&P 500 Futures Point to Risk-On Mood But Conviction Appears Limited**

Commodities are in consolidation mode overnight, with traders looking for directional momentum against the backdrop of quiet data docket. S&P 500 futures are cautiously higher, hinting yesterday's advance may have scope to carry further if market appetite.

Such a scenario would see growth-sensitive crude oil and copper prices and silver enjoy de-facto support courtesy of eroding haven demand for commodities, but are sorely lacking however, clouding the near-term landscape in uncertainty.

Minor event risk begins with Eurozone PPI figures, where a spike in which would be a relief (vs. a decline) in August from 1.8 percent in the prior month may carry risk-off implications (vs. a decline) ECB stimulus hopes. Spanish unemployment data is also on tap, where a decline in September. API's weekly set of crude oil inventory metrics are also on tap, with numbers round out the day.

WTI Crude Oil (NY Close): \$92.48 // +0.29 // +0.31%

Prices bounced from support at 89.44, the 38.2% Fibonacci expansion, 93.60. A break above this barrier exposes the underside of a rising channel, with a target at 96.22. Alternatively, a reversal through support targets the 50% Fib at 86.22.



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Spot Gold (NY Close): \$1775.30 // +3.20 // +0.18%

Prices remain range-bound after taking out resistance at a falling trend line connecting major swing highs since early November 2011. Near-term resistance is at 1790.55-1802.80 area, with a break above that exposing 1850.00 and the 1900.00. The trend line – now at 1747.80 – has been recast as support and is reinforced by the 23.6% Fibonacci retracement at 1737.59. A push below the latter boundary targets 1704.25 and 1677.30, the 38.2% and 50% Fibonacci retracements respectively.



Daily Chart - Created Using FXCM Marketscope 2.0

Spot Silver (NY Close): \$34.66 // +0.12 // +0.35%

Prices are testing above resistance at 34.80, the 76.4%Fibonacci retracement. A break higher exposes

36.89. Initial support lines up in the 32.93-33.14 area, marked by a horizontal pivot level and the 61.8% Fib, with a reversal below that targeting the 50% level at 31.79.



Daily Chart - Created Using FXCM Marketscope 2.0

COMEX E-Mini Copper (NY Close): \$3.786 // +0.028 // +0.75%

Prices continue to consolidate below resistance at a falling trend line set from early February (3.826). A break higher exposes swing highs at 3.955 and 3.988. Near-term support lines up at 3.707, the 23.6% Fibonacci retracement level. A push below that targets the 38.2% level at 3.627.



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