
WTI Crude Oil prices at multiyear high
Gold stuck up in a tight range of \$1771-\$1796

WTI CRUDE OIL PRICES AT MULTIYEAR HIGH

- Crude oil prices are trading near 2018 high supported by positive prospects of US infrastructure bill and increasing demand globally. However Crude prices are likely to get fresh direction from the OPEC meeting later this week.
- OPEC+ is considering a production hike. Comments by Saudi Energy Minister Abdulaziz bin Salman on Wednesday suggested that Saudi Arabia may go along with an increase in OPEC+ crude production for August when the group meets next Thursday. Prince Abdulaziz bin Salman said that "we have a role in taming and containing inflation, by making sure that the market doesn't get out of hand." The consensus is that OPEC+ will increase production by 550,000 BPD.
- Meanwhile US-Iran nuclear talks last week unable to provide any direction to the market, The Jerusalem Post reported that U.S. negotiators wanted to delay the start of the seventh round of negotiations of nuclear talks to hear from Israel's new government on the issue. Ebrahim Raisi, Iran's newly elected president, said on Monday that "he seriously recommends the U.S. government swiftly return to its commitments and remove the entirety of the sanctions." Consultant Qamar Energy said the US would not ease sanctions on Iran until it is convinced that Iran is complying with the new accord.
- Baker Hughes reported on Friday that the US oil rig count fell by 1 this week to 372. The number of gas rigs increased by 1 and now sits at 98. The number of miscellaneous rigs stayed the same.
- On the inventory front, Wednesday's weekly EIA data showed that US crude oil inventories as of June 18 were -5.8% below the seasonal 5-year average, gasoline inventories were -0.6% below the 5-year average, and distillate inventories were -4.5% below the 5-year average. The EIA's estimate for oil production in the United States for the week ending June 18—the last available data—increased to an average of 11.1 million barrels per day.
- According to the CFTC Commitments of Traders report for the week ended June 22 net long of crude oil futures gained by 2205 contracts to 526161 for the week. Speculative long position increased by 5615 contracts, while shorts added by 3410 contracts.

Outlook

- WTI Crude Oil prices are likely to stay firm while above the key support level of 20 days EMA of \$71.57 and 50 days EMA of \$68.58 meanwhile immediate resistance level is seen around \$75.20 and \$76.30

GOLD STUCK UP IN A TIGHT RANGE OF \$1771-\$1796

- Gold prices stuck up in the tight range of \$1771-1796 from the last five trading session. A mixed instance on Fed policy is keeping prices in a tight range,

- On economic data front, US PCE deflator report was slightly below expectations on a month-on-month basis, which was dovish for Fed policy. The May PCE deflator rose +0.4% m/m and +3.9% y/y, against expectations of +0.5% m/m and +3.9% y/y. The May core PCE deflator rose +0.5% m/m and +3.4% y/y, versus expectations of +0.6% m/m and +3.4%.
- Meanwhile, The final June US consumer sentiment index from the University of Michigan fell by -0.9 points to 85.5 from the preliminary report of 86.4, against expectations for a small +0.1 point rise. However, the index was still up by +2.6 points from May.
- According to the CFTC Commitments of Traders report for the week ended June 22 net long for gold futures dropped by 25822 contracts to 166214 for the week. Speculative long position dropped by 20794 contracts, while shorts added by 5028 contracts.

Outlook

- Gold prices are likely to find stiff resistance near \$1793-\$1814 meanwhile immediate support level could be seen near \$1762-\$1747

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