

05/08	Swiss Employment	12:45 AM	2.9%
05/08	German Foreign Trade	1:00 AM	22.5b
05/08	German Industrial Production	1:00 AM	0.8% (MoM) / 3.0% (YoY)
05/08	UK Halifax Housing Price Ind	2:30 AM	-0.2% (MoM) / 3.3% (3Mo/Year)
05/08	Canadian New Housing	7:15 AM	220.0k
05/08	API Energy Stocks	3:30 PM	
05/09	Japan Leading Indicators	12:00 AM	105.1
05/09	France Industrial Production	1:45 AM	0.4% (MoM) / 2.8% (YoY)
05/09	Canadian Building Permits	7:30 AM	2.2%
05/09	PPI	7:30 AM	0.2%
05/09	Wholesale Inventories	7:30 AM	0.6% (MoM)
05/09	EIA Energy Stocks	9:30 AM	
05/10	UK Foreign Trade	3:30 AM	-2,000
05/10	UK Industrial Production	3:30 AM	0.2% (MoM) / 3.1% (YoY)
05/10	UK Monetary Policy	6:00 AM	
05/10	UK Monetary Policy Minutes	6:00 AM	
05/10	Canadian New Housing Price I	7:30 AM	
05/10	CPI	7:30 AM	
05/10	Jobless Claims	7:30 AM	
05/10	Real Earnings	7:30 AM	
05/10	EIA Gas Storage	9:30 AM	
05/11	Canadian Labor Force Survey	7:30 AM	

BONDS COMMENTARY

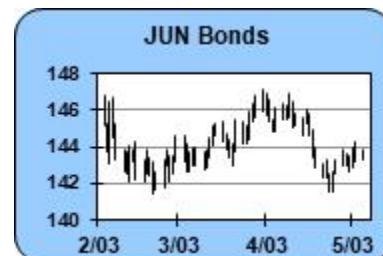
05/08/18

Increased 2-sided action down early, up into auctions down at 2:00

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):

BONDS -20

At times in the recent past US Treasuries have fallen out-of-favor in the face of intense US negotiations of trade deals and threats of aggressive military action that might be harsher than most of the world thinks is appropriate. In other words an extreme hardline stance from the US administration toward Iran later today could leave bond and note prices out of favor. It should be noted that the Chairman of the Fed is scheduled to speak early today and that could expand the early narrow trading ranges especially if the Fed Chairman alters the pre-existing dovish market vibe toward the Fed. However the prospect of renewed international global economic headwinds is supportive of US Treasuries and therefore increased volatility is likely in the coming 24 hours. Another issue that could undermine bonds and notes today is the beginning of three days of US debt auctions which will reach \$250 billion this week. With the US Federal Reserve halting its asset purchases earlier this year the market's ability to absorb \$1 trillion of US issuances this year could become a major negative for bond and note prices. However thus far the trade has not expressed concern about the US avalanche of supply nor has the market expressed concern that buyers will "step back" from US instruments because of trade issues. While some sources have the JOLTS report later this morning contracting a poll by Reuters pegs the survey to increase slightly from the prior month. We think a minimal rise in the survey will prevail and that prices could see a minimal negative reaction to the economic data released this morning. Because of the somewhat thin scheduled report slate today weekly chain store sales might be given a measure of focus this morning. The North American session will start out with a weekly private survey of same-store sales and a monthly private survey of economic optimism. The March job opening and labor turnover (JOLTS) survey is forecast to show a moderate downtick from February's 6.052 million reading. Fed Chair Powell will speak during early morning US trading hours.



TODAY'S MARKET IDEAS:

While the Treasury bond market has generally respected an eight day uptrend pattern on its charts the early trade

today has violated that trend line at 143-21 and that level could become a critical pivot point later today. The big question today for the financial markets might be whether or not a noted portion of investment money will rotate from equities to slightly higher Treasury yields? Uptrend channel support in June notes is seen at 119-15 which leaves a slight amount of weakness possible without posting noted damage on the charts. The path of least resistance looks to be down early, a slight bounce might be seen into the auction at midsession with renewed weakening into the 2 PM announcement from the White House.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

BONDS TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

BONDS (JUN) 05/08/2018: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The next upside objective is 144-010. The next area of resistance is around 143-240 and 144-010, while 1st support hits today at 143-090 and below there at 143-020.

10 YR TREASURY NOTES (JUN) 05/08/2018: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 119-270. The next area of resistance is around 119-240 and 119-270, while 1st support hits today at 119-185 and below there at 119-155.

STOCKS COMMENTARY

05/08/18

The bears have an edge but watch for a Fed surprise early

**OVERNIGHT CHANGES THROUGH 6:05 AM (CT):
S&P 500 -950**

While US equities are lower declines this morning are not significant despite brewing geopolitical conflict ahead. Given the aggressive action from Trump on almost every issue presented to his administration it would seem to be unlikely that his announcement this afternoon will be conciliatory and a new Iranian deal would become reality before the Saturday deadline. However the reality of the ultimate withdrawal by the US from a nuclear deal with Iran might be muted by a lack of broad-based international support for such a move. However the President is rumored to be considering demands that buyers reduce oil purchases from Iran by 500,000 barrels per day and that could be a very incendiary influence on oil. It should be noted that overly aggressive oil purchasing sanctions are unlikely to be agreed to by Europe and China and they might claim the US is asking for the sanctions knowing it will be the primary seller of choice. Overnight news adding to the minimally negative early track came from lower dish network revenues and a negative story regarding slowing smart phone sales.



S&P 500: With the E-mini S&P recently registering a record all-time high spec and fund long positioning of 479,336 contracts the market is certainly vulnerable to even minor geopolitical anxiety. It would be surprising for the Trump administration to come through the 2 PM announcement on its Iranian position without something harsh and concerning to equities. Furthermore it would seem as if yesterday's high in the June E-mini S&P stopped at the 2018 downtrend channel resistance line and a near term setback to 2600.00 could be achieved.

Other US Indexes: A slightly weaker early trade in the mini Dow and the prospect of geopolitical turmoil gives the bear camp an edge early on. However buyout deals in the media arena on both sides of the Atlantic could cushion prices against negative political issues. In fact the mini Dow might need a surprise dovish muttering from the Fed chairman this morning to avoid a near term slide back to 24,136. A 2018 downtrend channel resistance line is seen just above the market this morning at 24,335. Not surprisingly the Mini NASDAQ has held up better than other sectors of the market this morning perhaps because of a series of media sector buyout headlines. A couple buyout deals in the tech sector were also seen but that was largely counter veiled by negative Samsung mobile sales weakness. Initial support in the June Mini NASDAQ is seen close in at 6772.25. Downtrend channel resistance is seen off the 2018 highs up at 6841.70.

TODAY'S MARKET IDEAS:

Aggressive traders should be sellers this morning. Political anxiety later today will present a key investor pivot point for the coming week!

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

STOCKS TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

S&P E-MINI (JUN) 05/08/2018: The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. A bullish signal was given with an upside crossover of the daily stochastics. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 2690.81. The next area of resistance is around 2679.87 and 2690.81, while 1st support hits today at 2659.63 and below there at 2650.32.

MINI-DOW (JUN) 05/08/2018: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 24529. The next area of resistance is around 24412 and 24529, while 1st support hits today at 24192 and below there at 24088.

E-MINI NASDAQ (JUN) 05/08/2018: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside target is at 6897.50. The next area of resistance is around 6864.75 and 6897.50, while 1st support hits today at 6785.75 and below there at 6739.50.

MINI-RUSSELL 2000 (JUN) 05/08/2018: The daily stochastics have crossed over up which is a bullish indication. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 1600.6. The next area of resistance is around 1591.4 and 1600.6, while 1st support hits today at 1570.0 and below there at 1557.7.

DAILY TECHNICAL STATISTICS

CLOSE 9 DAY 14 DAY 14 DAY 14 DAY 4 DAY 9 DAY 18 DAY 45 DAY 60 DAY

		RSI	RSI	SLOW STOCH D	SLOW STOCH K	M AVG	M AVG	M AVG	M AVG	M AVG
FINANCIAL COMPLEX										
USAAM8	143-160	46.91	45.96	35.84	41.50	143.49	143.15	143.77	144.39	144.05
TYAAM8	119-210	45.87	43.90	30.90	38.05	119.64	119.49	119.76	120.22	120.19
SPAM8	2670.00	54.24	51.43	45.09	48.86	2648.08	2653.56	2665.14	2676.95	2685.24
EPM8	2669.75	54.00	51.36	45.65	49.29	2647.75	2653.64	2665.22	2676.87	2685.26
TFEM8	1580.7	63.94	58.70	51.10	56.89	1563.08	1558.64	1563.29	1557.71	1551.33
ENQM8	6825.25	60.25	56.17	61.82	71.44	6724.81	6689.78	6696.74	6743.41	6753.88
YMM8	24302	53.32	50.50	42.11	47.72	24062.25	24124.78	24301.72	24396.36	24541.02

Calculations based on previous session. Data collected 05/07/2018

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
FINANCIAL COMPLEX						
USAAM8	Bonds	143-010	143-080	143-170	143-240	144-010
TYAAM8	10 Yr Treasury Notes	119-150	119-180	119-210	119-240	119-270
SPAM8	S&P 500	2655.62	2662.25	2671.12	2677.75	2686.62
EPM8	S&P E-Mini	2650.31	2659.62	2670.56	2679.87	2690.81
TFEM8	Mini-Russell 2000	1557.6	1569.9	1579.1	1591.4	1600.6
ENQM8	E-Mini NASDAQ	6739.50	6785.75	6818.50	6864.75	6897.50
YMM8	Mini-Dow	24087	24191	24308	24412	24529

Calculations based on previous session. Data collected 05/07/2018

Data sources can & do produce bad ticks. Verify before use.

CURRENCIES COMMENTARY

05/08/18

Dollar controls unless its Iran stance changes sentiment

**OVERNIGHT CHANGES THROUGH 6:05 AM (CT):
US DOLLAR +290, YEN +45, SWISS +3, CA DOLLAR -535**

Upcoming International Reports (all times CT)

05/08 Swiss Employment 12:45 AM
 05/08 German Foreign Trade 1:00 AM
 05/08 German Industrial Production 1:00 AM
 05/08 UK Halifax Housing Price Ind 2:30 AM
 05/08 Canadian New Housing 7:15 AM
 05/08 API Energy Stocks 3:30 PM
 05/09 Japan Index of Business Cond
 05/09 Japan Leading Indicators 12:00 AM
 05/09 France Industrial Production 1:45 AM
 05/09 Canadian Building Permits 7:30 AM
 05/09 PPI 7:30 AM
 05/09 Wholesale Trade 7:30 AM
 05/09 EIA Energy Stocks 9:30 AM



DOLLAR: The dollar early this morning has pushed to another new high in a fashion that suggests the currency will surprisingly remain in favor even with the potential for another Trump political overreaction. However as has been seen over the last several trading sessions the US continues to maintain a macroeconomic differential edge. However the dollar uptrend will be at least temporarily put to a test this morning with the US Fed chairman speech as the last Fed stance was judged to be dovish. However one might expect the Fed chairman to balance the market's reaction to their on hold stance with his ultimate objective to return interest rates to "normal". The trend is up and there continues to be little competition to the dollar.

EURO: Despite the shift to slightly better European/German economic news overnight the euro has forged yet

another lower low for the move and appears to be in the midst of a range down extension. In fact the euro should be bolstered by news that the German trade surplus expanded and perhaps the euro will also garner some flicker of buying if the US pulls out from the Iranian deal and EU leaders indicate they will not go along with fresh sanctions. We continue to target 1.1871 in the June euro in the coming trading sessions.

YEN: The Japanese Yen appears to be throwing off its dovish central bank news of late and might be gaining some renewed safe haven interest. Perhaps the currency is also garnering some minimal support from news of a large Japanese drug maker buyout offer and perhaps the Yen is benefiting from news of increased Asian business activity following a large rise in Chinese imports. While the Yen has been entrenched within a downtrend pattern since the March highs it has managed to climb above a trend line this morning at 92.05 which might give the currency the ability to rise up to 92.28 through the US nuclear deal announcement.

SWISS: Clearly the weakness in the euro has continued to sit on the back of the Swiss as the currency has seen minimal support from another decline in the Swiss unemployment rate from the prior month. The Swiss unemployment rate fell to just 2.7% from 2.9% and perhaps that has helped the Swiss hold above the prior session's low at 99.77. However the trend remains down in the Swiss and the direction of the euro will dominate.

POUND: The British Pound has managed to consolidate and seemingly throw off the potential for a low above the 1.35 level. Unfortunately UK Halifax house prices on a month over month basis contracted by much more than expected and the UK might be aligned with the US in the upcoming Iranian nuclear deal decision. Given that the UK is a noted crude oil producer and it has aligned with the US more than continental Europe, it is possible the British Pound could see some geopolitical pressure. Adding into the potential for a chart failure are dovish market views toward the BOE rate hike posture.

CANADIAN DOLLAR: After holding up impressively for the past several weeks the Canadian dollar has thrown up a white flag and ranged down sharply in a fashion that appears to be the result of the accumulation of the dollar gains of the past several trading sessions. In fact the Canadian has been under full frontal assault from the dollar action for the last month and a return to the March lows could be in the near term realm of possibilities.

TODAY'S MARKET IDEAS:

The Dollar reigns unless the Fed Chair reiterates a dovish stance.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CURRENCIES TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

US DOLLAR (JUN) 05/08/2018: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. A positive signal for trend short-term was given on a close over the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 93.12. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 92.88 and 93.12, while 1st support hits today at 92.35 and below there at 92.06.

EURO (JUN) 05/08/2018: Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 118.8363. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 119.9925 and 120.4662, while 1st support hits today at 119.1775 and below there at 118.8363.

JAPANESE YEN (JUN) 05/08/2018: The stochastics indicators are rising from oversold levels, which is bullish

and should support higher prices. The close above the 9-day moving average is a positive short-term indicator for trend. The upside closing price reversal on the daily chart is somewhat bullish. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside objective is at 92.46. The next area of resistance is around 92.19 and 92.46, while 1st support hits today at 91.66 and below there at 91.39.

SWISS (JUN) 05/08/2018: The sell-off took the market to a new contract low. The crossover up in the daily stochastics is a bullish signal. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The next upside target is 100.80. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 100.42 and 100.80, while 1st support hits today at 99.72 and below there at 99.39.

CANADIAN DOLLAR (JUN) 05/08/2018: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 77.34. The next area of resistance is around 77.83 and 78.07, while 1st support hits today at 77.47 and below there at 77.34.

BRITISH POUND (JUN) 05/08/2018: Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. The close over the pivot swing is a somewhat positive setup. The next downside target is 135.15. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 136.10 and 136.35, while 1st support hits today at 135.50 and below there at 135.15.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
CURRENCY COMPLEX										
DXAM8	92.61	83.70	76.54	90.45	91.84	92.40	91.90	90.82	90.03	89.85
JYAM8	91.93	38.73	38.13	16.39	22.30	91.75	91.73	92.52	93.77	93.86
EU6M8	119.5850	21.14	26.47	8.99	7.16	119.91	120.72	122.21	123.34	123.57
BPAM8	135.80	17.84	25.54	7.25	6.49	135.93	137.27	139.53	140.26	140.15
CAAM8	77.65	31.84	38.80	16.85	13.25	77.81	77.86	78.44	78.04	78.30
SFAM8	100.07	9.08	15.55	5.18	5.36	100.40	101.00	102.34	104.45	105.31
DAAM8	75.17	31.85	33.79	12.90	13.66	0.75	0.75	0.76	0.77	0.77

Calculations based on previous session. Data collected 05/07/2018

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
CURRENCY COMPLEX						
DXAM8	US Dollar	92.05	92.34	92.58	92.88	93.12
JYAM8	Japanese Yen	91.38	91.65	91.92	92.19	92.46
EU6M8	Euro	118.8362	119.1775	119.6512	119.9925	120.4662
BPAM8	British Pound	135.15	135.50	135.75	136.10	136.35
CAAM8	Canadian Dollar	77.33	77.46	77.70	77.83	78.07
SFAM8	Swiss	99.38	99.71	100.09	100.42	100.80
DAAM8	Australian Dollar	74.68	74.92	75.18	75.42	75.68

Calculations based on previous session. Data collected 05/07/2018

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PRECIOUS METALS COMMENTARY

05/08/18

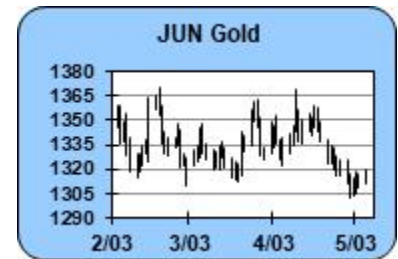
Dollar action to pressure prices before a 2:00PM bounce

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):

GOLD -3.60, **SILVER** -3.00, **PLATINUM** -2.70

OUTSIDE MARKET DEVELOPMENTS: Global equity markets overnight were mixed with Asian and Australian markets higher while the rest of the markets were generally lower. Overnight Chinese April exports jumped by 12.9% over year ago levels while imports soared a spectacular 21.5% over year ago levels.

However with the Chinese April trade surplus pegged at \$28.7 billion and the April trade surplus with the US widening to \$22.1 billion from just \$15.4 billion in March it is possible the world could expect some tweets/railing from the US President and a rekindling of trade war barbs. Also out overnight were some key data points for a German economy that recently posted disappointing figures with Germany's industrial output expanding more than expected for the month of March. In fact German industrial output showed the strongest gain in roughly 6 months and that might help the Germans get beyond what was feared to be a slowdown in the first quarter. The German trade balance was also released overnight at \$22 billion which was a larger surplus than expected and bigger than the prior month's result. Also released overnight were UK Halifax house prices which contracted much more than expected on a month over month basis. However UK Halifax house prices on a quarterly basis were positive versus year ago levels but still weaker than expectations. The North American session will start out with a weekly private survey of same-store sales and a monthly private survey of economic optimism. The March job opening and labor turnover (JOLTS) survey is forecast to show a moderate downtick from February's 6.052 million reading. Fed Chair Powell will speak during early morning US trading hours.



GOLD / SILVER

The five day recovery action in the gold market appears to have been reversed overnight with a lower high and lower low in the face of yet another upside breakout in the dollar index. However the potential for a safe haven/anxiety event is escalated by comments from the US President suggesting his decision on extending or backing out of the Iranian nuclear deal will be seen today. Obviously the Iranians have already staked out their stance by suggesting they will not "negotiate" any changes for the next deal. The Trump administration has indicated they will pull out of a deal if it fails to address Iranian ballistic missile programs and or its participation in both Syrian and Yemen conflicts. In other words the US President would seem to have a number of issues to negotiate and it would appear that a straight line to the next deal is unlikely and the threat of fresh US sanctions loom. However there are reports that UK and European participants in the negotiation have acknowledged portions of the US requirements but that would seem to mean a new deal will have some fresh terms which Iran says they will not tolerate. The US decision will be made at 2 PM today and Trump has labeled the existing deal "the worst deal ever negotiated" as it loosened sanctions for the promise of Iran limiting its nuclear program. However the strength in the dollar has apparently squashed the potential safe haven reaction in gold this morning and perhaps the \$1.00 correction in the crude oil market has added to the negative track in gold and silver early on. Just to add to the negative track in gold Indian April gold exports (according to the GFMS) fell by 39% in April from year ago levels. In the end one might suggest that the decline of 3 to 5 dollars in gold this morning gold is a partial victory for the bull camp as declines could have been more significant if not for the looming geopolitical junction that should provide at least some buying interest later today. Supposedly the President is said to be all but set to back out of the prior deal which in turn could mean fresh sanctions. The biggest potential US demand could be requirements that foreign buyers reduce purchases of Iranian oil by 500,000 barrels per day which would be an incendiary development for an Iranian economy already under stress.

PLATINUM

The PGM complex this morning is showing weakness along with gold and perhaps because of the fear of global economic headwinds stemming from the Iranian nuclear deal situation. We suspect that softer Indian gold demand news overnight and minimal damage on the June Palladium chart could set the stage for a slide back toward consolidation low support of \$952. A steeper washout down to the May lows of \$934.40 could be seen if a big picture broad-based macroeconomic risk-off environment returns because of the US/Iranian sanctioned war. While we are grasping at straws it is also possible that the US administration might also rekindle the US/Chinese trade fracas following news of the US trade deficit with China in the most recent figures as that could rekindle demand fears that largely knocked palladium off its April high and eventually contributed to a high to low slide of \$113! The palladium bulls have long lived off of the hope for unending and uninterrupted Chinese palladium demand. Not to be left out the platinum market also looks vulnerable to a return to \$900 as it will generally remain tethered to equities, gold and palladium.

TODAY'S MARKET IDEAS:

The bull camp in gold has to be somewhat frustrated this morning given that gold has given up the uptrend pattern from the four prior trading sessions with a lower low and what appears to be a failed sustained response to the potential escalation of geopolitical tensions in the Middle East. However the gold market is clearly undermined as a result of the latest new high in the dollar and we also assume the one dollar break in crude oil this morning is contributing to this morning's weakness. As indicated already a bad technical trade could give the bear camp an edge and could send prices back down to a recent pivot point around \$1,306.80 but pressing the short side of the market into the US announcement on the Iranian nuclear deal at 2 PM is not advised. Given the recent pattern of Trump negotiations one should expect a push beyond the brink and dramatic exchanges before a "deal". However we think gold has shown less safe haven sensitivity and the Bears could ultimately prevail. Traders might sell a reaction to the US failure to sign a new deal as the anticipated sanctions from the US might not be enforced by other countries.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

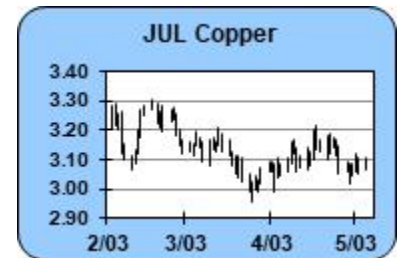
None.

COPPER COMMENTARY

05/08/18

The path of least resistance is down in the US Iranian decision

GENERAL: The fear of fresh global macroeconomic headwinds from the Iranian situation combined with adverse dollar action has resulted in a noted range down move in copper that could easily project prices down to \$3.1950. Clearly the copper market has discounted supportive news overnight in the form of another 8,750 ton decline in LME copper stocks, production problems at one of the world's largest copper producers, and news that Chinese January through April, and April copper imports increased over year ago levels. Chinese April copper imports rose to 442,000 tons versus 430,000 tons in March with the quarterly copper imports rising to 1.67 million tons versus 1.45 million tons last year.

**MARKET IDEAS:**

Typically the copper market is myopic with respect to its focus on anything China and therefore the failure to benefit from the Chinese import news overnight suggests the bear camp currently holds control. As indicated already a decline back to a key 30 day low around \$3.1950 in July copper could be in the cards if the fear of a US Iranian situation comes to fruition. Downtrend channel resistance is seen at \$3.0910 and that should be very solid resistance level in the coming 24 hours.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

METALS TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

COMEX GOLD (JUN) 05/08/2018: Daily momentum studies are on the rise from low levels and should accelerate

a move higher on a push through the 1st swing resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. The downside closing price reversal on the daily chart is somewhat negative. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 1324.4. The next area of resistance is around 1319.2 and 1324.4, while 1st support hits today at 1309.8 and below there at 1305.5.

COMEX SILVER (JUL) 05/08/2018: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. The market's close below the pivot swing number is a mildly negative setup. The near-term upside target is at 16.675. The next area of resistance is around 16.580 and 16.675, while 1st support hits today at 16.410 and below there at 16.335.

COMEX PLATINUM (JUL) 05/08/2018: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 923.30. The next area of resistance is around 917.00 and 923.30, while 1st support hits today at 907.40 and below there at 904.10.

COMEX COPPER (JUL) 05/08/2018: Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 3.04. The next area of resistance is around 3.09 and 3.12, while 1st support hits today at 3.06 and below there at 3.04.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
METALS COMPLEX										
GCAM8	1314.5	40.54	42.46	15.96	17.80	1311.88	1315.29	1329.18	1332.75	1333.69
SIAN8	16.495	46.84	47.30	25.89	27.57	16.46	16.45	16.67	16.60	16.62
PLAN8	912.20	46.06	43.37	16.76	20.71	905.08	906.46	920.72	937.94	951.62
CPAN8	3.07	43.74	45.50	31.33	28.52	3.08	3.09	3.11	3.10	3.13

Calculations based on previous session. Data collected 05/07/2018

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
METALS COMPLEX						
GCAM8	COMEX Gold	1305.4	1309.7	1314.9	1319.2	1324.4
SIAN8	COMEX Silver	16.335	16.410	16.505	16.580	16.675
PLAN8	COMEX Platinum	904.10	907.40	913.70	917.00	923.30
CPAN8	COMEX Copper	3.03	3.05	3.07	3.09	3.12

Calculations based on previous session. Data collected 05/07/2018

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