

Gold

Technical

The Gold markets drifted a little bit lower during the trading session yesterday, as it continue to see a little bit of negativity. However, pay attention to the US dollar more than anything else, and the central bank tone from the United States will have a great influence on where it go next. Obviously, the US dollar strengthening is negative, and the Federal Reserve seeming more stringent than anticipated could wreck gold. However, \$1200 features a lot of support. If it break down below there, that would be a major turn of events. A break down below there could unwind this market down to the \$1000 level. However, the \$1200 level is also very important, so at this point the gold drops towards that level so that it can pick up for a longer-term move. The gold will be thrown around by the central banks in both the United States and England, so the next couple of days will be very dangerous.

Pivot:	1,218		
Support	1,215	1,213	1,211
Resistance	1,222	1,225	1,228

Source: FX EMPIRE

Highlights

- Gold prices eased yesterday as the dollar strengthened
- The dollar has benefited because the U.S economy would be more resilient in the face of a trade war
- The burgeoning trade wars on multiple fronts will continue to support the dollar, making the outlook for gold
- Higher rates may lift the U.S dollar and dull appetite for the precious metal
- Gold needs a break lower in the dollar or stronger inflation data to try and resume a rally

Gold - Technical Indicators

RSI 14	45.94
SMA 20	1,219.5
SMA 50	1,218.0
SMA 100	1,218.2
SMA 200	1,218.3

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices rose today, recovering from the previous session's fall, as the U.S dollar edged lower against the Japanese yen. Asian stocks fell with sentiment fragile after the latest escalation in Sino-U.S trade war, while global bond markets were rattled by Washington's increased borrowing and Japan's new tolerance for higher yields.
- Spot gold was up 0.3 percent at \$1,218.86 an ounce, after losing 0.65 percent in the previous session. Spot gold remains neutral in a range of \$1,214-\$1,226 per ounce.
- The dollar was down 0.1 percent at 111.62 yen. The greenback was, however, supported against major peers after the Federal Reserve kept interest rates steady and gave an upbeat assessment of the world's biggest economy, keeping it on course to increase borrowing costs in September.
- A weaker dollar makes greenback-denominated gold cheaper for holders of other currencies while higher interest rates typically pressure gold by increasing the opportunity cost of holding non-yielding bullion.
- U.S President Donald Trump sought to ratchet up pressure on China for trade concessions by proposing a higher 25 percent tariff on \$200 billion worth of Chinese imports, his administration said yesterday.
- Elsewhere, the Bank of England looks set to raise interest rates today to their highest level since the financial crisis almost a decade ago, defying warnings that it is taking a gamble ahead of Brexit, the terms of which remain unclear.
- Investors betting on a stronger U.S economy and higher interest rates have sought out the dollar, sapping any benefits gold and other so-called "safe havens" might have gained from global trade tensions between the world's largest economies.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
12/08/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
12/15/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
12/12/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
12/29/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market dropped a bit during the trading session yesterday, reaching down towards the support level that extends down to \$67. Overall, at the uptrend line underneath as offering massive support as well. However, if it break down below the uptrend line, the oil markets could break down rather significantly. Brent markets also fell, but it has a little bit more support underneath in this market than it do in the WTI market, probably because it has seen so much in the way of selling previously. The \$70 level underneath seems to be a bit of a "floor" based upon the longer-term charts, but the \$72 level will probably offer a bit of support as well. Overall, this is a negative market, but there are a lot of factors ahead that's going to cause major volatility. US dollar needs to pay attention, but right now it would not be surprised at all to see this market grind its way down to the \$70 level.

Pivot:	67.74		
Support	67.30	66.95	66.70
Resistance	68.40	68.80	69.15

Source: FX EMPIRE

Highlights

- U.S crude oil inventories rose unexpectedly last week as exports fell
- Refinery crude prices rose by 195,000 barrels per day
- Oil prices pared losses briefly after the data, but were still trading about 1 percent lower on the day
- U.S oil production growth appears to have stalled out and actually declined a fair amount on the week
- Weekly U.S oil production dropped by about 100,000 bpd to 10.9 million bpd last week

Crude - Technical Indicators

RSI 14	46.01
SMA 20	67.75
SMA 50	67.75
SMA 100	67.83
SMA 200	67.75

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices rose today, steadying after losses over the past two days from a surprise increase in U.S crude inventories and renewed concerns over trade friction between the U.S and China.
- Brent crude futures were up 16 cents, or 0.2 percent, at \$72.55 a barrel, after dropping 2.5 percent yesterday. U.S West Texas Intermediate crude futures increased by 6 cents, or 0.1 percent, to \$67.72 a barrel. They fell 1.6 percent in the previous session.
- U.S President Donald Trump has sought to ratchet up pressure on China for trade concessions by proposing a higher 25 percent tariff on \$200 billion worth of Chinese imports.
- Brent prices fell more than 6 percent in June and U.S crude slumped about 7 percent, the biggest monthly declines for both benchmarks since July 2016. Oil prices are feeling the effects of ongoing tensions over global trade, with markets concerned about any slowdown in growth around the world.
- Despite a rise in refinery runs, a cratering in crude exports last week yielded a whopping crude build of 5.6 million barrels on the Gulf Coast - leading to a solid build of 3.8 million barrels for total U.S stocks.
- Total domestic crude production for the week, however, fell by 100,000 barrels a day to 10.9 million barrels a day. That was from a record level of 11 million barrels a day, EIA data showed.
- Despite the crude oil inventory rise, the report is supportive of prices. Demand for crude oil from refiners is very high, and gasoline demand remains sky-high, as well.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
12/08/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
12/15/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
12/12/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
12/29/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

The Silver markets pulled back during the trading session yesterday as it await announcements coming out of both London and Washington DC. The market will continue to be noisy over the next couple of days, as it hang about the \$15.50 level. Economists think that the market has significant support all the way down to the \$15 level, and it's only a matter time before the "smart money" gets involved. However, the next couple of trading sessions could be rather difficult to deal with. If it break down below the \$15 level, the market could break down very significantly. Longer-term value hunters continue to jump into this market, so don't be surprised if it see a bit of a bounce. The \$15.65 level is short-term resistant, but it break above there and probably go to the \$16 level.

Pivot:	15.38		
Support	15.34	15.30	15.23
Resistance	15.48	15.54	15.61

Source: FX EMPIRE

Highlights

- Metal prices were under pressure yesterday as investors fretted about a further escalation in U.S-China trade tensions
- Silver prices declined 0.6 percent to \$15.42 an ounce
- Currently markets are pricing in a more than 90% chance that the Federal Reserve raises interest rates in September
- September Comex silver was last down \$0.069 at \$15.49 an ounce
- Sentiment on metals were further soured by a rise in the dollar

Silver - Technical Indicators

RSI 14	46.94
SMA 20	15.44
SMA 50	15.41
SMA 100	15.41
SMA 200	15.41

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices are again mildly lower in early U.S trading yesterday. There continues to be a lack of major news to support the safe-haven metals, which is allowing the bearish chart postures to entice technical sellers in the futures markets.
- Silver futures tilted lower in Asian trade as the dollar index hit July 27 highs, after the Federal Open Market Committee wrapped up its policy meeting in Washington yesterday, and ahead of US employment and factory orders data later today.
- Silver September futures slipped 0.24% to \$15.41 an ounce, while the dollar index inched up 0.08% against a basket of main rivals to 94.74 as the US economy continues to expand and inflation hovers around 2%.
- The just-released ADP national employment report for July showed a rise of 219,000. The number is higher than the expected rise of 185,000. This number comes ahead of the more important U.S non-farm payroll number on Friday, which is forecast to come in at up 190,000 in July. The metals markets reacted little to the ADP news.
- World stock markets were mostly lower overnight, on renewed worries about the U.S imposing new tariffs on Chinese imports. Reports said some of President Trump's advisors are advising him to sharply ramp up tariffs on China.
- Markets await US unemployment claims data, expected to have risen 3 thousand in the week ending July 18 to 220 thousand, while factory orders are estimated to have risen 0.7%, up from 0.5% in May.
- The Federal Open Market Committee voted yesterday to maintain overnight interest rates unchanged between 1.75% and 2.00% as expected, while laying the groundwork for two more rate hikes this year.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/01/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/08/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/15/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/12/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
12/29/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Thursday, Aug 02, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs Aug 02	16:00	GBP Bank of England Bank Rate (2 AUG)	High		0.75%	0.50%
Thurs Aug 02	16:00	GBP BOE Asset Purchase Target (AUG)	High		435b	435b
Thurs Aug 02	16:00	GBP Bank of England Inflation Report	High			
Thurs Aug 02	16:30	UK BoE Governor Carney Speaks Post Rate Decision	High			
Thurs Aug 02	17:30	USD Initial Jobless Claims (28 JUL)	Medium		220k	217k
Thurs Aug 02	17:30	USD Continuing Claims (21 JUL)	Medium			1745k
Thurs Aug 02	19:00	USD Factory Orders (JUN)	Medium		0.7%	0.4%
Thurs Aug 02	19:00	USD Durable Goods Orders (JUN F)	Medium			1.0%
Thurs Aug 02	23:00	MXN Overnight Rate (2 AUG)	High		7.75%	7.75%

Source: Forex Factory, DailyFX

Disclaimer: This document has been prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. This document and the information may not be reproduced, distributed or published by any recipient for any purpose.

Contact Details

IGI Commodity Team

Zaeem Haider Khan	(Head of Commodity)	Cell: 0321-4772883	Tel: (+92-42) 35777863-70	zaeem.haider@igi.com.pk
Syed Zeeshan Kazmi	(Deputy Manager)	Cell: 0321-4499228	Tel: (+92-42) 35777863-70	zeeshan.kazmi@igi.com.pk
Ehsan Ull Haq	(Commodity Trader - Lahore)	Cell: 0321-4861015	Tel: (+92-42) 35777863-70	ehsan.haq@igi.com.pk
Muhammad Naveed	(Branch Manager - Islamabad)	Cell: 0345-5599900	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Asif Saleem	(Branch Manager - Rahim Yar Khan)	Cell: 0334-7358050	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	(Branch Manager - Multan)	Cell: 0300-6348471	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk
Zeeshan Kayani	(Branch Manager - Abbottabad)	Cell: 0333-5061009	Tel: (+92-992) 408243-44	zeeshan.kayani@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of
Pakistan Stock Exchange Limited | Corporate member of
Pakistan Mercantile Exchange Limited

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600
UAN :(+92-21) 111-444-001 | (+92-21) 111-234-234
Fax :(+92-21) 35309169, 35301780
Website : www.igisecurities.com.pk

Lahore Office

5-FC.C Ground Floor, Syed Maratib Ali Road,
Gulberg II, Lahore.
Tel :(+92-42) 95777863-70, 35876075-76
Fax :(+92-42) 35763542

Islamabad Office

Mezzanine Floor Razia Sharif Plaza,
90-Blue Area G-7, Islamabad
Tel: (+92-51) 2802241-42, 2273439
Fax: (+92-51) 2802244

Faisalabad Office

Room #: 515-516, 5th Floor, State Life
Building, 2- Liaqat Road, Faisalabad
Tel: (+92-41) 2540843-45
Fax: (+92-41) 2540815

Stock Exchange Office

Room # 719, 7th Floor, KSE Building
Stock Exchange Road, Karachi
Tel: (+92-21) 32429613-4, 32462651-2
Fax: (+92-21) 32429607

Rahim Yar Khan Office

Plot #: 12, Basement of Khalid Market,
Model Town, Town Hall Road,
Rahim Yar Khan
Tel: (+92-68) 5871652-6
Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road, Multan
Tel: (+92-992) 408243-44

Abbottabad Office

Ground Floor, Al Fatah Shopping Center,
Opp. Radio Station, Mandehra Road,
Abbottabad
Tel: (+92-99) 2408243-44