

Gold

Technical

Since December Comex gold is inside the window of time for a potentially bullish closing price reversal bottom, it is going to use last week's close at \$1219.00 as our pivot this week. Gold futures finished lower last week. The weakness was fueled by a stronger U.S. Dollar, which helped drive down foreign demand for the dollar-denominated gold market. The selling pressure was aversion to risky assets which drove investors into the safe-haven dollar, and solid domestic inflation data which raised expectations for additional rate hikes by the Fed later this year. The market is in no position to change the trend to up, but due to the prolonged move down in terms of price and time, gold is inside the window of time for a potentially bullish closing price reversal bottom. Since hedge fund and money managers are net short gold, some unexpected news could spark a short-covering rally.

Pivot:	1,208		
Support	1,204	1,202	1,200
Resistance	1,211	1,214	1,217

Source: FX EMPIRE

Highlights

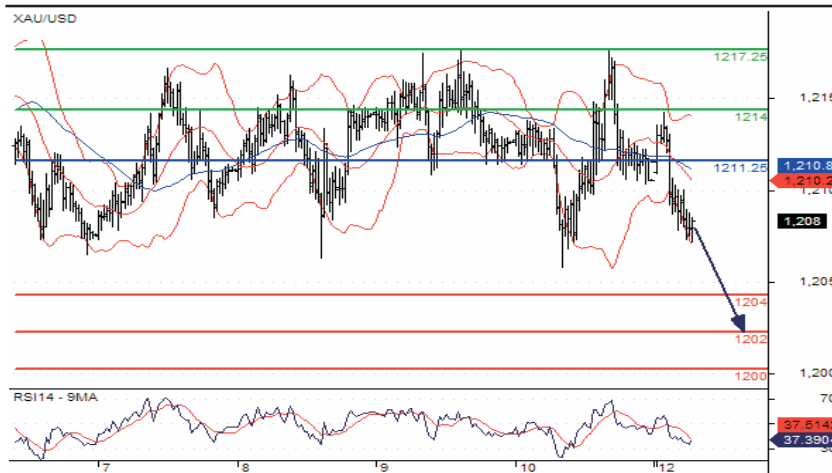
- Gold prices fell today as the recent Turkish Lira crisis pushed the U.S dollar higher
- Gold consumption will continue to grow in China and that it would purchase about 30% of the gold sold globally, in the form of jewelry
- Demand for gold fell by 4% year-on-year globally and purchases for investment purpose slid 9%
- The gold price also dropped due to the China-U.S trade tensions
- The growing strength of the U.S dollar and the depreciation of the RMB will further drive gold demand in the second half quarter

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 extended declines into a third session today, as the U.S dollar climbed to a 13-month high against major peers amid financial crisis in Turkey. From now onwards, institutions will take the necessary steps and will share the announcements with the market.
- Spot gold had dropped 0.2 percent to \$1,208.50 an ounce, hovering not far from a 17-month low of \$1,204 hit earlier in August. U.S gold futures were down 0.3 percent at \$1,215.7 an ounce.
- The U.S dollar rose against China's yuan today and held steady after hitting a 13-month high against a basket of six major currencies. Asian shares fell today and the euro hit one-year lows against the dollar as a renewed rout in the Turkish lira drove demand for safe harbours, including the U.S dollar.
- China's central bank said it would maintain its prudent and neutral monetary policy to ensure ample liquidity and keep the yuan largely stable, after the currency earlier this month hit a 14-month low versus the dollar amid ongoing Sino-U.S trade tensions.
- The U.S dollar, in which gold is priced, has benefited from recent global political and trade tensions, while bullion has not despite being widely seen as a safe-haven asset.
- Gold speculators added 22,195 contracts to their net short position in the week to Aug. 7, bringing it to 63,282 contracts, the largest since records became publicly available in 2006, U.S Commodity Futures Trading Commission (CFTC) data showed.
- British consumer spending dipped last month and few employers plan to offer bigger pay rises, according to economic surveys today that suggest future growth is likely to remain modest.

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

Based on last week's close at \$66.94, the direction of the October WTI crude oil futures contract this week is likely to be determined by investors reaction to the short-term 50% level at \$66.95. Longer-term, WTI crude oil strengthens over \$69.19 and weakens under \$65.20. U.S. West Texas Intermediate crude oil futures settled lower last week, but remained inside its six-week range. There were some fireworks to the downside mid-week after China retaliated against U.S tariffs with sanctions of their own on U.S petroleum products. This raised issues about demand. A slowdown in China's economy also created concerns over demand. Investors also had to deal with supply concerns due to sanctions against Iran. Late in the week, the International Energy Agency helped provide support by saying the calm in the market will not last because of the fragile supply situation.

Pivot:	67.53		
Support	67.10	66.50	66.10
Resistance	68.00	68.60	69.00

Source: FX EMPIRE

Highlights

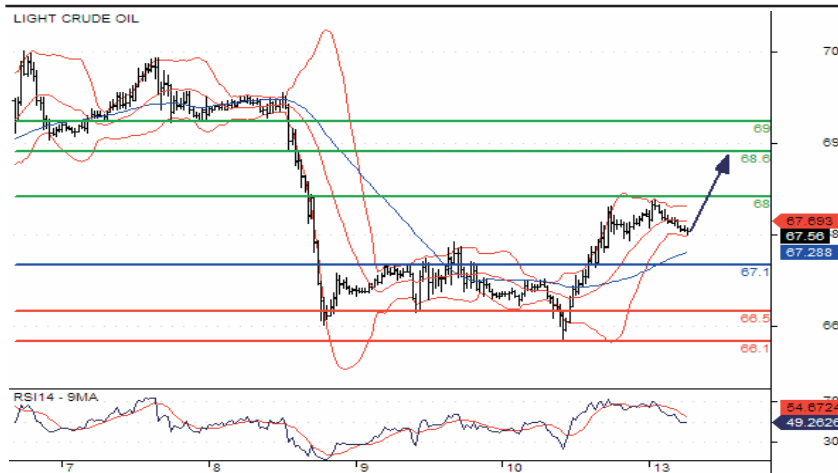
- Oil prices fell as concerns over slowing economic growth amid global trade tensions
- U.S crude prices suffered their sixth straight weekly loss last week
- China said it would impose additional tariffs of 25% on \$16 billion worth of U.S imports
- Oil prices rose Friday amid a boosted 2019 demand forecast from the International Energy Agency
- U.S energy companies last week increased their number of active oil rigs by the most since May, adding 10 rigs to bring the total count to 869

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 slipped today as trade tensions and troubled emerging markets dented the outlook for fuel demand, but U.S sanctions against Iran pointed toward tighter supply ahead.
- Benchmark Brent crude oil was down 25 cents at \$72.56 per barrel. U.S light crude was 25 cents lower at \$67.38 a barrel. Phillip Futures said hedge funds had cut bullish bets on oil because of "rising production levels from OPEC and the United States.
- Turkey's financial crisis has raised the risk of contagion throughout emerging economies, dragging down South Africa's rand, Argentina and Mexico's pesos, Russia's rouble and emerging market stocks, and curbing growth and the outlook for oil demand.
- Trade protectionism and escalating tensions between the world's largest economies (the United States and China) have cast a looming shadow on global oil demand growth in 2018.
- Hedge funds and other money managers reduced their bullish positions in U.S crude futures and options in the week ending on Aug. 7, data from the U.S Commodity Futures Trading Commission showed on Friday.
- Despite the cautious mood in oil markets, bullish sentiment found some support from expectations that U.S sanctions against Iran would restrict Iranian crude exports, tightening global supply.
- The United States has started implementing new sanctions against Iran, which from November will also target the country's petroleum sector. Iran is the third largest producer among the members of the OPEC.

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

Silver markets were choppy during the week, in a relatively tight range just as all other precious metals were. This market seems to be respecting the \$15.25 level for support, an area that has been touched a couple of times on the weekly chart. There is even more support at the \$15 level underneath, so the US dollar has been powering ahead due to concerns about global growth and now concerns with contagion in the European banking system yet again. Remember, when the Euro falls, it naturally drives up the value of the US dollar. That of course weighs upon the value of precious metals. In fact, there is a huge correlation between the EUR/USD pair and the silver market. However, if it break down below \$15, it will probably unwind to the \$14 level rather quickly.

Pivot:	15.21		
Support	14.50	13.55	12.65
Resistance	16.75	17.75	18.70

Source: FX EMPIRE

Highlights

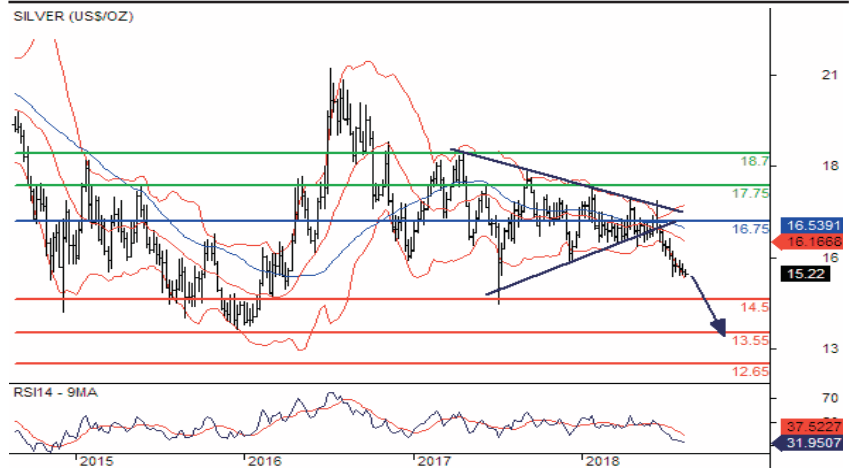
- Silver was little changed at \$15.27 an ounce, after earlier slipping to the lowest since July 19 at \$15.19
- A stronger U.S. currency makes silver and other dollar-denominated commodities more expensive for foreign investors
- Metals prices were mostly lower as a plunging euro pushed the dollar above a year high
- A rising greenback, which usually spells trouble for dollar-denominated commodities such as silver
- Safe-haven demand gathered pace amid fears that a stronger greenback would hit emerging-market economies

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 futures fell in Asian trade to July 19 lows, while the dollar index marked another year high, amid market with no data releases from the US today. Investors have also shunned the precious metal despite an escalation in global trade tensions, indicating that silver may be losing its safe haven status.
- Silver futures due in September fell 0.29% to \$15.25 an ounce, touching four-week lows, while the dollar index inched up 0.11% to 96.47, hitting fresh 13-year highs.
- US data released last week showed consumer prices rose 0.2% m/m in July as expected, accelerating from 0.1% in June, while core prices, excluding food and energy, rose 0.2% as expected with no change from June.
- On a yearly basis, consumer prices rose 2.9% as expected with no change as well, while core prices accelerated to 2.4% from 2.3%. The broadly stronger dollar looks likely to remain a significant headwind for gold this week as the precious metal's inverse relationship to a firmer dollar continues to outweigh safe haven demand for bullion.
- The dollar has strengthened considerably against major currencies, marking the third weekly profit in a row and weighing on dollar-denominated commodity futures, on prospects of two more Federal Reserve rate hikes this year.
- The dollar rallied to its highest level in more than a year against a currency basket on Friday, as a selloff in the Turkish lira spurred a flight to safety amid fears over contagion effects, particularly on European banks exposed to the Turkish currency.
- Turkey's currency plunged to its lowest level in a year against the dollar after U.S. President Donald Trump escalated a feud with Ankara by doubling tariffs on metals imports.

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

Monday, Aug 13, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Aug 13	03:30	NZD Performance Services Index (JUL)	Medium	55.1		52.7
Mon Aug 13	03:45	NZD Food Prices (MoM) (JUL)	Low	0.7%		0.5%
Mon Aug 13	13:00	CHF Total Sight Deposits CHF (AUG 10)	Low	576.119b		575.897b
Mon Aug 13	13:00	CHF Domestic Sight Deposits CHF (AUG 10)	Low	473.36b		476.154b
Mon Aug 13	20:30	USD U.S. to Sell 3-Month Bills	Low			
Mon Aug 13	20:30	USD U.S. to Sell 6-Month Bills	Low			

Source: Forex Factory, DailyFX

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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