

Gold

Technical

Based on last week's price action and the close at \$65.21, the direction of the October WTI crude oil market this week is likely to be determined by investor reaction to the downtrending Gann angle at \$65.13. U.S. West Texas Intermediate crude oil futures finished lower last week. Prices spiked lower after straddling a short-term 50% level for four weeks. After supporting the market on supply concerns due to the Iranian sanctions, inventories and worries about future demand. The main trend is up according to the weekly swing chart, however, momentum is trending lower. A trade through \$62.60 will change the main trend to down. The main trend will resume on a trade through \$71.63. The minor trend is down. This trend indicator is controlling the momentum. A trade through \$69.19 will change the minor trend to up as well as shift momentum to the upside.

Pivot:	1,185		
Support	1,180	1,173	1,168
Resistance	1,189	1,195	1,199

Source: FX EMPIRE

Highlights

- Gold prices gained while the dollar also edged up today as trade war worries eased
- Trump warned earlier that the U.S may eventually target the entire \$500 billion in Chinese exports to the U.S
- The U.S Dollar index climbed to 96.984, its highest since June 2017
- Gold came under sustained pressure during the week with 19-month lows just above \$1,160 per ounce
- A slightly weaker dollar will create scope for a further limited strengthening in gold

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 inched higher today as hopes of easing trade tensions between the United States and China put pressure on the dollar, adding to demand for the yellow metal that improved last week after prices touched 19-month lows.
- Spot gold rose 0.1 percent to \$1,185.31 an ounce. Last week, it touched its lowest since January 2017 at \$1,159.96. The metal fell 2.2 percent last week, marking the sixth consecutive weekly decline. It was also the worst weekly performance since December. U.S gold futures were up 0.7 percent at \$1,191.60 an ounce.
- The overall trend remains slightly weak for gold as there are no key fundamental cues favouring upside at the moment, value-buying in this oversold territory is highly likely to underpin prices.
- Spot gold's 14-day relative strength index was at 31.977, after touching a low of 21.187 last week. A reading below 30 indicates a commodity is oversold and could herald a price correction.
- Gold has tumbled over 13 percent from its April high as a rally in the greenback made dollar-priced bullion more expensive for buyers using other currencies. Meanwhile, hedge funds and money managers increased their net short position in COMEX gold contracts.
- Investors seeking a safe place to store assets amid trade disputes and a Turkish currency crisis have preferred the dollar to gold, undermining the reputation of bullion as a safe-haven.
- The dollar index, which measures the greenback against a basket of six currencies, was at 96.175, after hitting its highest since June 2017 last week. The index suffered its worst one-day decline in nearly a month on Friday.

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 price action and the close at \$65.21, the direction of the October WTI crude oil market this week is likely to be determined by trader reaction to the downtrending Gann angle at \$65.13. U.S West Texas Intermediate crude oil futures finished lower last week. Prices spiked lower after straddling a short-term 50% level for four weeks. After supporting the market on supply concerns due to the Iranian sanctions, buyers caved to selling pressure triggered by a jump in U.S inventories. The main trend is up according to the weekly swing chart, however, momentum is trending lower. A trade through \$62.60 will change the main trend to down. The main trend will resume on a trade through \$71.63. This trend indicator is controlling the momentum. A trade through \$69.19 will change the minor trend to up as well as shift momentum to the upside.

Pivot:	65.67		
Support	65.50	64.80	64.45
Resistance	66.10	66.40	66.90

Source: FX EMPIRE

Highlights

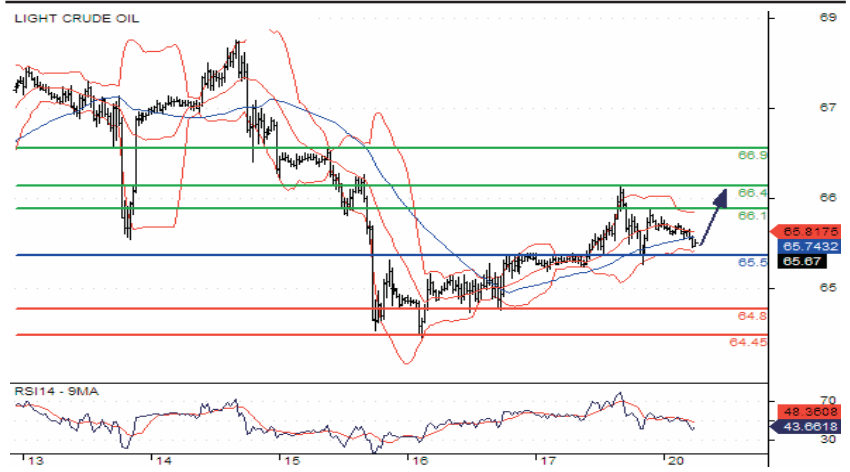
- Oil prices trader lower today as slowing economic growth weighed on markets
- The economy is slowing down as the result of the relatively tight policies in the past six quarters
- Iran produced around 3.65 million barrels per day of crude in July, making it the third biggest producer within the OPEC
- Oil prices declined due to higher inventories and depreciation of currencies in emerging market economies and others
- Iran told OPEC that no member countries should take over others' share of oil exports

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 were mixed today, weighed down by concerns over slowing economic growth but supported by the expected impact of U.S sanctions on Iran, which will start targeting the petroleum industry from November.
- Brent crude futures, which act as a benchmark for international oil prices, were at \$71.80 per barrel, close to their last close. U.S West Texas Intermediate (WTI) crude futures were down 6 cents at \$65.85 per barrel.
- Investors said U.S sanctions against Iran were supporting prices. The U.S government has introduced financial sanctions against Iran which, from November, will also target the country's petroleum sector.
- Iran produced around 3.65 million barrels per day of crude in July, making it the third biggest producer within the Organization of the Petroleum Exporting Countries (OPEC), behind Saudi Arabia and Iraq.
- Oil markets were held back by concerns of a slowdown in economic growth because of the U.S-Chinese trade tensions, and because of weakness in many emerging economies. In the United States, U.S energy companies last week kept the oil rig count unchanged at 869.
- China and the United States will hold trade talks this month, the two governments said late last week, in a bid to resolve an escalating tariff war that threatens to engulf all trade between the world's two largest economies.
- The recent softening in benchmark prices should temper the pace of growth in U.S exploration and production activity and lead to slower overall output growth. Disappointing industrial data out of China along with concerns over emerging market economies centered on Turkey weighed on commodities.

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 broke down rather significantly during the week, slicing through the \$15 level with these. In fact it got as low as \$14.30 before bouncing a bit. The \$14 level underneath is massive support, but it cannot help but notice that it has formed a bit of a descending triangle that has broken. It could go below the \$14 level, and if it do that shows just how strong the US dollar would become. However, it would not do so with leverage as it can dollar cost average a retirement account with physical silver. Remember, silver was eight or nine dollars for years before spiking to \$50. This can happen again, and almost certainly will over the longer-term. It suspect that the \$14 level is a major barrier that will be difficult to overcome for the sellers. The next couple of weeks will be crucial.

Pivot:	14.76		
Support	14.60	14.48	14.31
Resistance	14.96	15.10	15.24

Source: FX EMPIRE

Highlights

- Silver settled up 0.42% at \$14.775 a troy ounce, for a weekly loss of 4.26%
- Silver has also struggled as its inverse relationship to the firmer dollar has outweighed safe haven demand
- A stronger dollar and higher Treasury yields make the precious metal less attractive to investors
- Investors will be on the lookout for any tweaks to the Fed's outlook on inflation, the economy and trade war fears
- The dollar index was mostly flat at 96.125 after hitting its highest since June 2017 last week

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 gained nearly one percent in Asian trade away from February 2016 lows for another session, as the dollar index barely inched up in a day that lacks major data releases from the US.
- Silver futures due in September rose 0.88% to \$14.76 an ounce away from 2-1/5 year lows, while the dollar index edged up 0.07% to 96.17 against a basket of main currencies.
- Markets now await a speech by Federal Reserve Bank of Atlanta President Raphael Bostic about the economic outlook at the Johnson City Chamber of Commerce, in Tennessee later today.
- The Federal Reserve will release its latest meeting's minutes this week, while Fed Chair Jerome Powell is scheduled to deliver a speech titled "Monetary Policy in a Changing Economy" at the Federal Reserve Bank of Kansas City Economic Policy Symposium, in Jackson Hole, on Friday, as investors already priced in two more 0.25% rate hikes later this year.
- The U.S dollar index, which measures the greenback's strength against a basket of six major currencies, was down 0.50% at 96.00 late Friday, the largest one day decline in almost a month.
- Investors will get the chance to parse through the minutes of the Federal Reserve's August meeting, when it left interest rates unchanged and indicated that it remains on track for additional rate hikes this year.
- Investors seeking a safe place to store assets amid trade disputes and a Turkish currency crisis have preferred the dollar to silver, undermining the reputation of bullion as a safe-haven. China and the United States will hold lower-level trade talks this week to resolve an escalating tariff war that threatens to engulf all trade between the world's two 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	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 20, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Aug 20	04:01	GBP Rightmove House Prices (YoY) (AUG)	Medium	1.1%		1.4%
Mon Aug 20	11:00	EUR German Producer Price Index (YoY) (JUL)	Low	3.0%	3.0%	3.0%
Mon Aug 20	13:00	CHF Domestic Sight Deposits CHF (AUG 17)	Low	472.6b		473.4b
Mon Aug 20	14:00	EUR Euro-Zone Construction Output s.a. (MoM) (JUN)	Low	0.2%		0.3%
Mon Aug 20	18:15	CAD Bank of Canada's Wilkins Speaks in Frankfurt	Low			
Mon Aug 20	20:00	USD Fed's Bostic Speaks on U.S. Economic Outlook in Tennessee	Low			
Mon Aug 20	20:30	USD U.S. to Sell 3-Month Bills	Low			
Mon Aug 20	20:30	USD U.S. to Sell 6-Month Bills	Low			
Mon Aug 20	23:00	EUR Bundesbank President Jens Weidmann Speaks in Frankfurt	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