

## Gold

### Technical

Gold markets continue to be resilient, rallying quite nicely as the US dollar continues to fall in value. The \$1220 level offers minor resistance, but Economists think at this point the market will probably go looking towards \$1225 level, possibly even the \$1250 level. At this point, it's only a matter of time before it get some type of clarity on the longer-term outlook for the market. The market will continue to move in verse of the US dollar as it typically does, so it's only a matter of time before currency markets start to show a correction of the overall strength of the US dollar. After all, it had rallied rather significantly, and the greenback had gotten a bit expensive for its own good. However, gold has a way to go to the upside. At this point the market will continue to find reasons to get rid of the greenback if it can, because quite frankly there is more risk appetite out there that there once was.

Pivot:	1,211		
Support	1,207	1,203	1,196
Resistance	1,217	1,221	1,224

Source: FX EMPIRE

### Highlights

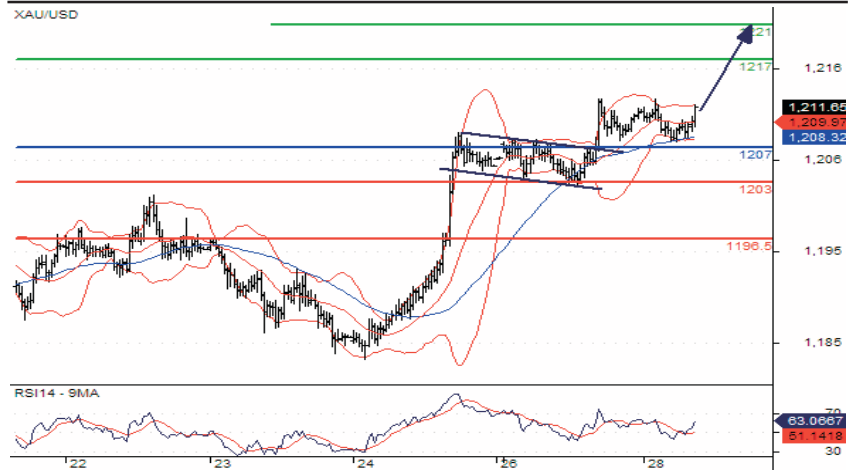
- Gold prices slipped today as the dollar pared losses after reaching its lowest level since Aug. 2
- Investors interpreted the deal as a softening of trade tensions that have dominated the market
- Gold had logged a gain of about 2.5% last week, the first weekly rise in seven
- The precious metal keeps the bullish momentum intact amid flattening of the US yield curve
- The U.S Dollar Index, which tracks the dollar against a basket of other currencies, was up 0.2% to 94.82

### 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 inched down today from a two-week high hit in the previous session, as the dollar firmed against yuan, making the precious metal expensive for buyers in the world's biggest consumer China.
- Spot gold fell 0.2 percent to \$1,209.04 an ounce, after hitting its highest since Aug. 13 at \$1,212.38 yesterday. U.S gold futures were down 0.1 percent at \$1,215.40 an ounce.
- The downtrend on the dollar has reversed, with markets probably concerned over the currency fixing in China. The market is still a little bit nervous overall when it comes to buying into the weaker U.S dollar narrative.
- The dollar index inched up 0.1 percent against a basket of six major currencies today, after falling to a more than three-week low. Gold has lost its appeal as a safe-haven asset, having fallen over 7 percent so far this year, amid international trade disputes and the Turkish currency crisis, with investors increasingly turning to the U.S dollar instead.
- The yellow metal, however, has recovered after touching 1-1/2-year lows on Aug. 16 at \$1,159.60 as the dollar's run slowed after President Donald Trump criticized the U.S Federal Reserve for raising interest rates at a time when the government was trying to stimulate the economy.
- Gold is highly sensitive to rising rates, which lift the opportunity cost of holding non-yielding assets such as bullion, while boosting the dollar, in which it is priced.
- China's net gold imports via Hong Kong fell about 45% in July from the previous month amid lacklustre demand. A stronger dollar dampens demand for gold by making it more expensive for buyers holding other currencies.

### 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 when sideways overall during trading yesterday, as it continue to dance around the \$69 level. Economists think a short-term pullback may be in order though, perhaps reaching down to \$68 underneath. The \$68 level was previously resistive, so it would make sense that “market memory” dictates that it find buyers in this region. The short-term pullbacks should attract enough attention, because quite frankly the US dollar has been rolling over, and if trade talks can continue with the Chinese, that will ensure that trade could continue to strengthen. Brent markets also when sideways overall during trading on Monday, as the market is digesting some of the recent gains. It hovered near the \$76 level, and the \$75 level underneath is essentially support just waiting to happen, as it was previous resistance. US dollar falling also helped the Brent market.

Pivot:	68.81		
Support	68.50	68.10	67.45
Resistance	69.30	69.65	70.25

Source: FX EMPIRE

### Highlights

- Oil prices edged lower today despite the International Energy Agency (IEA) warned of further supply disruptions
- The weaker U.S-dollar helped commodities in general
- The U.S oil price's ability to remain above \$65 a barrel during declines earlier this month
- China, the world's largest oil importer, to cut crude purchases as its economy would likely face further pressure
- Iran remains the largest risk factor on the supply side of the market

### 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 dipped today, weighed down by gradually rising output from producer club OPEC but supported by supply risks from places such as Venezuela, Africa and Iran.
- International Brent crude oil futures were at \$76.14 per barrel, down 7 cents from their last close. U.S West Texas Intermediate crude futures were down 11 cents at \$68.76 per barrel.
- The monitoring committee of the OPEC found that oil producers participating in a supply-reduction agreement, which includes non-OPEC member Russia, cut output in July by 9 percent more than called for.
- OPEC and its allies agreed in late 2016 to cut output from 2017 by around 1.8 million barrels per day (bpd) versus October 2016 levels. Venezuelan crude oil exports had halved in the previous two years to just 1 million bpd by mid-2018, according to trade flow data.
- U.S oil prices added to gains from last week when they ended a string of weekly declines on lower U.S oil inventories and a decline in the Baker Hughes weekly oil rig count, pointing to tightening U.S output.
- Crude oil prices have successfully held the \$65-dollar range and are now poised to test the higher end of the trading range. It look for prices to move back to the low \$70 range with Brent spiking towards the \$80 range.
- Opec and non-OPEC members achieved a 109% compliance rate with the production-cut agreement, below the 120% rate seen June, when OPEC and non-OPEC members agreed to return to 100% compliance with oil output cuts that began in January 2017.

### 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 rallied to kick off the week and continue to show signs of life. At this point it's all about the US dollar, and the great proxy or even secondary indicator for this market is what the EUR/USD pair is doing. If it is rallying, then typically silver will rally as well as it works against the value of the dollar. Economists think pullbacks will find plenty of support near the \$14.75 level, and eventually it will try to break above the \$17 handle. Until then, expect a lot of volatility but that's nothing new for the silver market as it tends to move around quite rapidly. Short-term investors should probably keep the position size small as the volatility will be rather drastic, but ultimately it is trying to form some type of bottoming pattern. For longer-term there is a lot of support underneath at the \$14 level.

Pivot:	14.88		
Support	14.80	14.72	14.60
Resistance	14.98	15.07	15.15

Source: FX EMPIRE

### Highlights

- Spot silver was down 0.3 percent at \$14.81, after hitting its highest since Aug. 15 at \$14.92 yesterday
- The net short in silver increased to 27,717 futures contracts from 22,291 the week before
- The latest Commitment of investors report showed a slowdown in the short assault on the silver price
- Money managers continued to add to their net bearish positioning in silver as the U.S dollar index has also dropped lower
- December Comex silver was last up \$0.059 at \$14.965 an ounce

### 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 were modestly up yesterday. Some follow-through buying interest from Friday's solid gains and a lower U.S dollar index on this day worked in favor of the precious metals market bulls. However, with the world marketplace quieter to start the trading week and with little risk aversion among investors gain in the safe-haven metals were limited.

Silver futures tilted lower in Asian trade as the dollar index climbed from August 2 lows for the first session in three, as traders await US trade and housing data later today.

Silver futures due in December shed 0.15% to \$14.95 an ounce, while the dollar index rose 0.08% to 94.86 against an array of major currencies, marking four-week highs.

Markets await US goods trade data, with the balance expected to register a deficit of \$68.6 billion in July, up from \$67.9 billion in June, while wholesale inventories are expected to have increased 0.1% in July.

U.S stock indexes are solidly higher and set new record highs today, underscoring the keener risk appetite that is in the marketplace at present. However, silver bulls are wondering if the historically turbulent months of September and October that are now right around the corner will provide some upside potential.

The S&P House Price Index is expected to have risen 6.4% y/y in June, slowing down from 6.5%, while an index that tracks consumer confidence is estimated at 126.6 in August, down from 127.4 in July.

However, the US-China trade talks conducted a few days ago failed to stop new 25% US tariffs on \$16 billion worth of Chinese imports, with Chinese retaliating with similar measures, escalating a long-standing trade dispute between the world's two largest economies.

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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

Tuesday, Aug 28, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tues Aug 28	11:00	GBP Nationwide House Px n.s.a. (YoY) (AUG)	Medium		2.7%	2.5%
Tues Aug 28	17:30	USD Advance Goods Trade Balance (JUL)	High		-\$69.0b	-\$68.3b
Tues Aug 28	17:30	USD Wholesale Inventories (MoM) (JUL P)	Medium		0.2%	0.1%
Tues Aug 28	17:30	USD Retail Inventories (MoM) (JUL)	Low			0.0%
Tues Aug 28	18:00	USD S&P CoreLogic CS 20-City (MoM) SA (JUN)	Medium		0.2%	0.2%
Tues Aug 28	18:00	USD S&P/Case-Shiller US Home Price Index (YoY) (JUN)	Medium			6.38%
Tues Aug 28	19:00	USD Consumer Confidence Index (AUG)	High		126.5	127.4
Tues Aug 28	19:00	USD Conf. Board Present Situation (AUG)	Medium			165.9
Tues Aug 28	19:00	USD Conf. Board Expectations (AUG)	Low			101.7

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