

Gold

Technical

Gold markets are likely to continue to go to the downside, if we break down below the bottom of the weekly candle that just printed. The \$1250 level is the middle of the overall consolidation of the year, but we have broken through a significant trend line, and of course is pass we Close towards the bottom of the range. If we break down below the bottom of the candle, it's very likely that we will see a continuation of the bearish pressure, and perhaps reach down towards the \$1225 level, and more importantly, the \$1200 level. A breakdown below there would be very negative for gold in general. Pay attention to the US dollar, if that continues to strengthen overall, we will see gold suffer. The US dollar has performed rather miserably during most of the year, so a rebound in the value the greenback makes sense, so gold could be soft for several weeks.

Pivot:	1,248		
Support	1,243	1,240	1,235
Resistance	1,252	1,256	1,262

Highlights

- Gold is heading for the biggest weekly drop since May as investors anticipate higher US interest rates
- Progress on tax reform buoys the dollar, deepening a slump for the metal that touched a one-year high in September
- Bullion has lost 2.6 per cent last week, the most since the period ended May 5
- U.S President signed legislation to fund the federal government for two weeks
- U.S job growth increased at a strong clip in November

Gold - Technical Indicators

RSI 14	48.30
SMA 20	1,238.5
SMA 50	1,235.1
SMA 100	1,246.9
SMA 200	1,259.8

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices were steady early today in Asian trading session, holding above a four-month low hit last week, amid a firm dollar. Spot gold was nearly unchanged at \$1,247.80 an ounce, after hitting its lowest since July 26 at \$1,243.71 on Dec. 7.
- U.S. gold futures were 0.1 percent higher at \$1,250.10. The dollar was steady in early Asian trade today, underpinned by expectations of higher U.S. interest rates, while bitcoin seized the spotlight as futures of the cryptocurrency began trading.
- Republican U.S. Senator Susan Collins, whose support was crucial in passing the Senate tax reform bill earlier this month, said on Sunday she has not yet decided whether she will back the final measure negotiated by House and Senate leaders.
- U.S. President Donald Trump on Friday signed legislation to fund the federal government for two weeks, giving congressional negotiators more time to work out budget priorities through next September and other thorny policy matters.
- A Palestinian stabbed an Israeli security guard at Jerusalem's main bus station on Sunday, police said, and violence flared near the U.S. Embassy in Beirut over U.S. President Donald Trump's recognition of Jerusalem as Israel's capital.
- The United States, Japan and South Korea will hold two days of missile tracking drills starting on Monday, Japan's Maritime Self-Defence Force said, as tensions rise in the region over North Korea's fast-developing weapons programmes.
- U.S. job growth increased at a strong clip in November, painting a portrait of a healthy economy that analysts say does not require the kind of fiscal stimulus that President Donald Trump is proposing, even though wage gains remain moderate. Hedge funds and money managers sharply reduced their net long positions in COMEX gold.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market fell significantly during the week, but found enough support near the \$56 level to turn around and form a hammer. The hammer sits at the \$57.50 level, and that suggests that we are going to continue to find the reasons to go higher, perhaps reaching towards the \$60 handle underneath. That's an area that continues to offer a lot of resistance though, so I think it's going to take a certain amount of bullish momentum and perhaps a few catalysts that we are not aware of to break out. Nonetheless, it does look like the momentum is with the buyers, so one would have to think it is certainly possible. It's probably easier to trade this market from a short-term perspective though. Brent markets look very much the same, initially pulling back during the week but forming a massive hammer sitting just below the \$64 level. I think we are going to break out.

Pivot:	57.19		
Support	56.75	56.55	56.30
Resistance	57.50	57.80	58.05

Highlights

- Crude edged higher on Friday as Chinese orders for foreign crude signaled stronger demand in the world's second-largest economy.
- Futures climbed 1.2 percent in Friday's trading session
- Everyone is talking about that big jump in imports of crude into China last month
- Drillers expanded the number of rigs searching for crude in two of the busiest U.S. shale fields this week
- West Texas Intermediate for January delivery climbed 67 cents to settle at \$57.36 a barrel

Crude - Technical Indicators

RSI 14	53.36
SMA 20	53.50
SMA 50	51.33
SMA 100	50.55
SMA 200	48.91

Crude Oil Daily Graph



Fundamentals

- Oil markets edged lower today as ongoing output cuts led by OPEC were countered by rising U.S. drilling activity that points to a further increase in American production.
- U.S West Texas Intermediate (WTI) crude futures were at \$57.03 a barrel, down 33 cents from their last settlement. Brent crude futures, the international benchmark for oil prices, were 15 cents lower at \$63.25 a barrel.
- Both Brent and WTI crude oil settled more than 1 percent higher on Friday, and oil prices have gained well over a third in value from their 2017 lows. It's time for a breather.
- The gains are largely due to production cuts by the Organization of the Petroleum Exporting Countries and a group of non-OPEC producers, including Russia, which have been in place since the start of the year.
- But analysts said the effect of these cuts could be undermined by rising output from the United States, which is not participating in the deal to voluntarily withhold production.
- The number of rigs drilling for new oil output in the United States rose by two in the week to Dec. 8, to 751, the highest level since September, General Electric Co's Baker Hughes energy services firm said on Friday.
- The largest concern for investors currently remains the rise in the U.S. rig count, which could potentially jeopardize the OPEC and Russian agreement when they meet for a review in June 2018.
- A higher rig count points to a further rise in U.S. crude production, which is already up by more than 15 percent since mid-2016 to 9.71 million barrels per day (bpd). That's the highest level since the early 1970s, and close to levels from top producers Russia and Saudi Arabia.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets continue to be very noisy, capping lower at the open of the week, but then turned around to fill that gap as the \$16.50 level offered far too much in the way of resistance. By finding that resistance, we turned around to break down significantly, and we ended up below the \$16 level later, which is a very negative sign. Currently, we are testing the \$15.75 region, the beginning of significant support, as seen based upon the bodies of larger candles. I think there is even more support near the \$15 handle, so I don't have any interest in shorting this market beyond there. Currently, I believe it's probably best to wait for a supportive candle that we can take advantage of, as Silver should start to look relatively cheap in this region. The US dollar has rallied a bit as of late, as interest rates are likely to be bullish in America, and that could continue to make this a very choppy scenario.

Pivot:	15.81		
Support	15.73	15.61	15.50
Resistance	15.90	16.00	16.13

Highlights

- Silver prices was down 0.1 percent today in Asian session at \$15.82
- The dollar was steady in early Asian trade, buoyed by stronger U.S jobs data
- U.S employment data on Friday showed jobs increased in November, painting a portrait of a healthy economy
- Expectations for a rate hike at this week's FOMC meeting weighed on investor appetite for precious metals
- The Federal Reserve is widely expected to raise benchmark interest rates

Silver - Technical Indicators

RSI 14	44.86
SMA 20	18.00
SMA 50	17.80
SMA 100	17.57
SMA 200	17.21

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices ticked up amid a softer dollar today, but lacked impetus to push higher weighed by expectations of an increase in interest rates in the United States.
- The dollar gave up some early gains today, but losses were limited as stronger-than-expected U.S. jobs data and expectations of higher interest rates in the United States provided underlying support.
- U.S. employment data on Friday showed jobs increased in November, painting a portrait of a healthy economy that analysts say does not require the kind of fiscal stimulus that President Donald Trump is proposing, even though wage gains remain moderate.
- Expectations this week are that bullion will hold a narrow range into Wednesday's FOMC rates decision, while following Friday's stronger than expected U.S. jobs data we see a 90 percent chance that interest rates will be raised, with the potential that silver may extend recent weakness.
- The Federal Reserve is widely expected to raise benchmark interest rates at its two-day policy meeting starting on Tuesday, and provide outlook on further rate hikes next year.
- Higher U.S. rates tend to boost the dollar and push bond yields up, putting pressure on greenback-denominated, non-yielding silver. Precious metals will remain under further modest pressure. However, any decline is expected to be modest as the rate rise is largely anticipated.
- The United States, Japan and South Korea will hold two days of missile tracking drills starting on Monday, Japan's Maritime Self-Defence Force said, as tensions rise in the region over North Korea's fast-developing weapons programmes. Hedge funds and money managers sharply reduced their net long positions in COMEX silver contracts in the week to Dec. 5, U.S. data showed 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	
12/27/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Monday, December 11, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Dec 11	02:45	NZD Card Spending Retail (MoM) (NOV)	Low	1.2%	0.5%	0.5%
Mon Dec 11	04:50	JPY BSI Large Manufacturing (QoQ) (4Q)	Low	9.7	10.0	9.4
Mon Dec 11	04:50	JPY Japan Money Stock M3 (YoY) (NOV)	Low	3.4%	3.5%	3.4%
Mon Dec 11	05:01	GBP Rightmove House Prices (YoY) (DEC)	Medium	1.2%		1.8%
Mon Dec 11	11:00	JPY Machine Tool Orders (YoY) (NOV)	Medium	46.9%		49.8%
Mon Dec 11	14:00	CHF Total Sight Deposits CHF (DEC 08)	Low	575.9b		576.8b
Mon Dec 11	20:00	USD JOLTS Job Openings (OCT)	Low			6093
Mon Dec 11	21:30	USD U.S. to Sell USD39 Bln 6-Month Bills	Low			
Mon Dec 11	21:30	USD U.S. to Sell USD24 Bln 3-Year Notes	Low			

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	(Assistant 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
Gul Hussain	(Branch Manager - Faisalabad)	Cell: 0344-7770878	Tel: (+92-41) 2540843-45	gul.hussain@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