

Gold

Technical

Gold markets of course have gone sideways as we await the jobs number today, and that of course has a massive influence on the US dollar. That is going to be the major driver of the market during the session today. But I look at pullbacks as potential buying opportunities as the \$1325 level is the short-term "floor." I also believe that the \$1300 level is even more important, so I think that if we break down, it's likely that the market will find plenty of buyers as well. If we can break above the \$1350 level, the market should then go towards the \$1365 level, eventually making its way towards the \$1400 level which looks very important to me, and a break above there should send a longer-term "buy-and-hold" traders back into the market. Ultimately, it's likely that the gold markets will do that, and go looking towards \$1800. The US dollar is struggling in general.

Pivot:	1,348		
Support	1,340	1,337	1,332
Resistance	1,352	1,357	1,361

Source: FX EMPIRE

Highlights

- Gold prices held in a narrow range today ahead of U.S. jobs data later in the day
- Traders are looking for any implications for the outlook for U.S. monetary policy over the rest of the year
- Nonfarm payrolls probably rose by 180,000 jobs in January after increasing 148,000 in December according to a Reuters
- The unemployment rate is forecast to be unchanged at a 17-year low
- The rate hikes seem to be doing little to dampen the relative resilience on display in gold

Gold - Technical Indicators

RSI 14	45.56
SMA 20	1,268.2
SMA 50	1,251.1
SMA 100	1,268.3
SMA 200	1,278.8

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices inched down early today ahead of U.S. jobs data due later in the day as traders looked for guidance on the course of monetary policy for the remainder of the year.
- Spot gold dipped 0.1 percent to \$1,346.90 per ounce today, and has fallen 0.1 percent so far this week. U.S. gold futures were up 0.2 percent at \$1,350.60 per ounce.
- Traders are looking to the U.S. government's jobs report later in today's trading session. Nonfarm payrolls probably rose by 180,000 jobs in January after increasing 148,000 in December, according to a Reuters survey of economists. The unemployment rate is forecast to be unchanged at a 17-year low of 4.1 percent.
- Stronger-than-expected jobs data, lower unemployment and higher wages would signal strength in the economy, and could in turn strengthen the dollar and pressure gold, analysts say.
- The U.S. Federal Reserve held interest rates unchanged on Wednesday but raised its inflation outlook and flagged "further gradual" rate increases. A survey on Thursday showed eurozone manufacturing continued to boom last month, supporting expectations that the European Central Bank is on track to normalise monetary policy.
- Sibanye-Stillwater said on Thursday that over 1,000 miners were stuck underground at its Beatrix gold mine in South Africa after a storm knocked out power, but they were not in danger.
- Gold consumption in China grew by 9.41 percent from the previous year to 1,089 tonnes in 2017, state television CCTV reported on Thursday, citing figures from the China Gold Association. Funds have been buying gold, while short interest remains low

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

Oil market rallied yesterday, breaking above the \$65 level. It looks as if the buyers are trying to make a stand here, and that we are trying to go towards the highs yet again. Longer-term, I believe that the \$66.50 level should be a target. I think that the market will try to break above there, and when it does it's likely that we will go to the \$67.50 level next. I also recognize that there is a massive amount of support below near the \$64 level, but again – with the jobs number coming out of America, the volatility in the US dollar could make it difficult to trade today. Brent markets also rallied, reaching towards the \$69.50 level. The \$70 level above is a target, and I think breaking to the upside certainly puts a lot of bearish pressure to bed. The \$70 level is a large, round, psychologically significant number so it would not surprise me at all if it took a couple of attempts to break above it.

Pivot:	66.13		
Support	65.50	65.05	64.65
Resistance	66.40	66.65	67.05

Source: FX EMPIRE

Highlights

- Oil was little changed at \$65.83 a barrel on the New York Mercantile Exchange
- The contract rose 1.7 percent to \$65.80 a barrel yesterday
- The specter of expanding U.S supply was weighed against Wall Street banks' growing faith in a price rally
- U.S. output surged above 10 million barrels a day for the first time in more than four decades in November
- Goldman Sachs sees Brent crude reaching \$75 a barrel over the next three months

Crude - Technical Indicators

RSI 14	70.56
SMA 20	48.54
SMA 50	46.40
SMA 100	47.24
SMA 200	52.06

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil rose for a third day today after a survey showed strong compliance with output cuts by OPEC and others including Russia, offsetting concerns about surging U.S. production.
- Brent futures, the global benchmark, were up 24 cents, or 0.3 percent, at \$69.89 a barrel. U.S West Texas Intermediate (WTI) crude was up 33 cents, or 0.5 percent, at \$66.13 a barrel.
- Production by the Organization of the Petroleum Exporting Countries (OPEC) rose in January from an eight-month low as higher output from Nigeria and Saudi Arabia offset a further decline in Venezuela and strong compliance with a supply reduction pact, a Reuters survey showed.
- OPEC pumped 32.4 million barrels per day (bpd) in January, the survey found, up 100,000 bpd from December. Last month's total was revised down by 110,000 bpd to the lowest since April 2017.
- Even so, adherence by producers included in the deal to curb supply rose to 138 percent from 137 percent in the month of December, the survey found, suggesting commitment is not wavering even as oil prices hit their highest level since 2014.
- "It underscores the commitment of the cartel, and their Russian partners, to keep a floor under the oil price," said Greg McKenna, chief market strategist at futures brokerage AxiTrader. That is drawing investors' focus away from the rise in U.S. production.
- U.S. crude output surpassed 10 million bpd in the month of November for the first time since 1970, the Energy Information Administration said earlier this week. The next glimpse into U.S. supply growth will come from the weekly Baker Hughes rig count later today. Drillers added 12 rigs in the week to January 26, the most since March.

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 have sold off significantly during the trading session on Thursday, but there is plenty of support underneath, especially near the \$17 level. The level has offered a lot of volume and interest, and I think that today's job number will have a massive influence on where the US dollar goes, and of course I suspect that it will have a massive influence on where Silver goes. I believe that the jobs number will cause a massive amount of volatility, but at the end of the day I would anticipate that the market will probably try to go higher over the longer term. I think that eventually we will go looking towards the \$18 level, but I also recognize that the other side of the trade is reaching down to the \$16.80 level. If we break down below that level, then the market could fall apart but at this point it looks to me as if precious metals are starting to pick up a lot of interest.

Pivot:	17.21		
Support	17.07	16.96	16.87
Resistance	17.32	17.40	17.55

Source: FX EMPIRE

Highlights

- Silver prices were 0.7 percent lower at \$17.11 an ounce today
- The U.S Dollar ticked up against the euro ahead of hotly anticipated U.S. non-farm payrolls data later
- The payrolls data due later today is expected to show that the United States added 180,000 jobs in January
- The Fed held interest rates unchanged after its latest policy meeting this week
- On the wider markets, world stocks are set to post their biggest weekly drop since late 2016

Silver - Technical Indicators

RSI 14	19.80
SMA 20	17.27
SMA 50	16.72
SMA 100	16.85
SMA 200	16.87

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver markets are near steady levels in early U.S trading in yesterday's trading session. The markets are pausing ahead of a heavy slate of U.S economic data due for release. March Comex silver was last down \$0.04 at \$17.195 an ounce.
- U.S. economic data released in yesterday's session includes the weekly jobless claims report, the Challenger job cuts report, the productivity and costs report, the U.S. manufacturing PMI, the ISM manufacturing report on business, construction spending, the global manufacturing PMI, and domestic auto industry sales.
- Still, traders and investors are also looking ahead to Friday morning's monthly U.S. employment situation report from the Labor Department. This is arguably the most important U.S. data point of the month. The key non-farm payrolls number consensus forecast comes in at up 177,000.
- World stock markets were mixed but mostly firmer overnight. U.S. stock indexes are pointed toward narrowly mixed openings when the New York day session begins.
- Traders and investors are still digesting the Federal Open Market Committee (FOMC) meeting that concluded Wednesday afternoon with a statement that made no changes in U.S. monetary policy. None were expected.
- The statement said the U.S. economy is gaining strength, to also suggest rising inflation. The market read the report as neutral to maybe just slightly hawkish. Gold prices rallied moderately in the wake of the FOMC statement, but other markets saw little reaction. That was Fed Chair Janet Yellen's last FOMC meeting. The key "outside markets" on Thursday morning see the U.S. dollar index slightly lower.

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

Friday, February 02, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Feb 02	14:30	GBP Markit/CIPS UK Construction PMI (JAN)	Medium		52	52.2
Fri Feb 02	18:30	USD Change in Non-farm Payrolls (JAN)	High		180k	148k
Fri Feb 02	18:30	USD Change in Private Payrolls (JAN)	Medium		182k	146k
Fri Feb 02	18:30	USD Unemployment Rate (JAN)	High		4.1%	4.1%
Fri Feb 02	18:30	USD Average Hourly Earnings (YoY) (JAN)	Medium		2.6%	2.5%
Fri Feb 02	20:00	USD Factory Orders (DEC)	Medium		0.9%	1.3%
Fri Feb 02	20:00	USD U. of Mich. Sentiment (JAN)	Medium		95	94.4
Fri Feb 02	20:00	USD Durable Goods Orders (DEC)	Medium			2.9%
Fri Feb 02	20:00	USD U. of Mich. 5-10 Yr Inflation (JAN)	Medium			2.5%

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
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