

Gold

Technical

Gold markets rose slightly, but turned around to form a less than impressive candle. Ultimately, I still believe that the markets going to go higher, and then the buyers will reenter sooner, rather than later. The 100-day exponential moving average should now act as dynamic support, and with this I am looking for some type of supportive candle to start buying again. On the other hand, if we can break above the \$1250 level, the market I think then should continue to go higher as well. I have no interest in selling at the moment. Momentum as reflected by the MACD index is positive as the index prints in the black with an upward sloping trajectory. The RSI on the other hand, was unable to break through recent highs, at 70, which now reflects decelerating positive momentum. The combination of rising yields and a declining RSI could generate a correction to the recent run-up in prices.

Pivot:	1,224		
Support	1,214	1,210	1,206
Resistance	1,236	1,244	1,254

Highlights

- Gold futures ended lower, pulling back after a five-session streak of gains lifted prices to their highest level in about 13 weeks
- Some renewed strength in the U.S. dollar, as well as a rise among most U.S equities helped to dull the yellow metal's appeal
- April gold fell \$2.70, or 0.2%, to settle at \$1,236.80 an ounce
- Year to date, gold futures have gained more than 7%
- Donald Trump's comments on an imminent tax announcement caused gold to take a breather

Gold - Technical Indicators

RSI 14	72.56
SMA 20	1,213.0
SMA 50	1,180.5
SMA 100	1,208.2
SMA 200	1,266.3

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold fell today, retreating further from this week's three-month high, as U.S President Donald Trump's promise of a major tax announcement boosted the dollar and upbeat data fuelled talk of a near-term rise in U.S. interest rates.
- Disappointment among some buyers at gold's failure to break above the \$1,245 an ounce level it tested twice this week has also fed into the pull-back. Spot gold was down 0.5 percent at \$1,225.01 an ounce, while U.S. gold futures for April delivery dropped \$10.30 to \$1,226.50. On Wednesday spot gold reached its highest since mid-November at \$1,244.67.
- The dollar reached a 10-day high against a basket of currencies today and was on course for its best week since mid-December as Trump's pledge to announce a major tax plan within weeks cooled some market nerves, reinvigorating dollar bulls.
- Obviously the dollar has recovered a bit of strength in the past day or so, which has weighed on precious metals. The move above \$1,220 was pretty convincing, but we didn't get to the next level at \$1,249-\$1,250, which would have been confirmation of that bullish trend going back to the start of the year. What we've seen is possibly some disappointed investors turning tail and booking some profit.
- U.S. economic data also stoked talk that the Federal Reserve would press ahead with U.S. interest rate hikes sooner rather than later. Initial jobless claims dropped unexpectedly last week to the lowest in nearly 43 years.
- Gold is highly sensitive to rising U.S. interest rates, which increase the opportunity cost of holding non-yielding bullion while boosting the dollar, in which it is priced. Major physical markets in Asia were mixed this week as Indian jewellers stocked up for wedding season while rising prices sidelined buyers elsewhere. Premiums over the spot price in India rose to \$3 an ounce this week from about \$2 the previous week, indicating upbeat demand.

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 rallied on Thursday again, as we continue to consolidate overall. I see the \$51 level as the bottom of this consolidation, with the \$54 level above being the massive resistance. The market should continue to go back and forth, and because of this I believe that we will see sellers get involved in this market near the \$54 level. The market is going to remain volatile, because quite frankly we have several conflicting issues going on at the same time. We have the production cuts coming out of OPEC which of course is a bullish sign, but we also have oversupply issues at the same time, which is bearish. Because of this, and the possibility of a stronger US dollar, the market will more than likely continue to struggle in finding its longer-term direction. Momentum as reflected by the MACD (moving average convergence divergence) index is neutral.

Pivot:	53.55		
Support	53.16	52.90	52.63
Resistance	53.85	54.14	54.35

Highlights

- An OPEC-led production cut may well be accelerating a drawdown in global oil stocks that began last year
- Oil prices yesterday extended their gains to a second straight session
- Data released a day earlier showed a surprise decline in U.S. gasoline supplies, along with strong weekly demand for the fuel
- Crude tacked on 66 cents, or 1.3%, to settle at \$53 a barrel
- The EIA data also showed U.S crude production increased by 63,000 barrels a day last week

Crude - Technical Indicators

RSI 14	50.42
SMA 20	53.00
SMA 50	52.92
SMA 100	50.42
SMA 200	48.19

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Crude-oil jumped today after the International Energy Agency lifted its demand forecast and said OPEC is sticking to its pledge to cut production. West Texas Intermediate crude for March rose 1%, or 53 cents, to \$53.53 a barrel, setting it on track for its highest settlement level in a week.
- April Brent crude on London's ICE Futures exchange added 1.1%, or 62 cents, to \$56.25 a barrel. Earlier in the session the two contracts had struggled for direction, but both were sent sharply higher after the IEA released its monthly report.
- The Paris-based agency upgraded its forecast for 2017 demand growth to 1.4 million barrels a day, from 1.3 million barrels projected in its January report. It also said that members of the OPEC have reached a record compliance of 90% with their agreed output cuts, with production from the cartel down by 1 million barrels a day to 32.06 million barrels in January.
- OPEC "appears to have made a solid start to what is a six-month process. This first cut is certainly one of the deepest in the history of OPEC output cut initiatives," the IEA said in the report.
- Late last year, 20 oil producing nations, including those inside OPEC and Russia, agreed to cut their cumulative daily production by 1.8 million barrels in stages starting last month.
- Speculative investors are so confident in the compliance level that many have been selling short-dated puts and buy calls. Another reason behind the buying is the expectation of a supply disruption if tension between the U.S. and Iran intensifies.
- The Trump administration recently imposed sanctions on some Iranian firms and individuals after the Middle Eastern producer of 3.7 million barrels a day launched a ballistic missile test less than two weeks after Trump took office.

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 rose slightly yesterday. We are starting to see a convergence of the 50 day and 100-day exponential moving averages, with the 200-day exponential moving average just below. Because of this, the market looks as if the buyers are starting to take over, but it is going to be a slow move higher. The \$18.50 level is still my target longer-term, and I believe the dips will continue to be bought. I have no interest in selling this market, and believe that the \$17 level underneath is the "floor." Silver has finally exited an area where bearish pressures seem important. The precious metal is way into a bullish momentum. Hourly support can be located at 16.34 (06/01/2017 low) then 15.63 (20/12/2016). In the long-term, the death cross indicates that further downsides are very likely. Resistance is located at 25.11 (28/08/2013 high). Strong support can be found at 11.75 (20/04/2009).

Pivot:	17.55		
Support	17.43	17.37	17.29
Resistance	17.68	17.75	17.82

Highlights

- Silver traded lower in early trade today on account of selling of precious metals by jewellers, investors and industries
- Prices of precious metals declined after robust US economic data pointed to a stronger economy
- Holdings of the largest silver-backed exchange-traded-fund (ETF) stood at 10,410.74 tonnes, remain unchanged
- Data on jobless claims did little to sway the metals market
- St. Louis Fed President Bullard said he sees no reason interest rates need to move much at all

Silver - Technical Indicators

RSI 14	68.51
SMA 20	17.30
SMA 50	16.75
SMA 100	17.05
SMA 200	18.11

Silver Daily Graph



Fundamentals

- Silver edged slightly higher in yesterday's trading session and was on track for another week of gains as political uncertainty kept demand for precious metals elevated.
- March silver futures climbed 2 cents, or 0.1%, to \$17.72 a troy ounce. Prices rose as much as 0.7% overnight. With Thursday's modest advance, silver is on track for a weekly gain of 1.4%.
- The grey metal has surged nearly 11% since the start of January. Its technical indicators suggest further upside is in store. Gold prices held near three-month highs in early morning trade.
- The U.S. dollar was on track for its seventh consecutive gain on Thursday, edging up 0.1% against a basket of other major currencies. The greenback has rebounded nearly 1% since January 31.
- In economic data, Germany's trade surplus reached record highs in 2016, the Federal Statistics Office reported Thursday. Exports rose 1.2% last year to €1.2 trillion, while imports climbed 0.6% to €954.6 billion.
- The increase suggests Europe's largest economy is benefiting from a weaker euro, a currency the U.S. Trump administration says is "grossly undervalued." The euro was down 0.2% Thursday morning to trade at 1.0682 U.S.
- Washington's protectionist stance has fueled investors' flight to safe havens as markets fear an imminent trade war between West and East. President Trump has already issued an executive order formally withdrawing the United States from the Trans-Pacific Partnership (TPP).
- In a separate decree, the president vowed to re-negotiate the North American Free Trade Agreement (NAFTA), which has governed trade relations between the United States, Canada and Mexico since 1994.

US Commodity Futures Trading Commission (CFTC) Data

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	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

Friday, February 10, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Feb 10	08:24	CNY Trade Balance (JAN)	Medium	\$51.35b	\$48.50b	\$40.71b
Fri Feb 10	14:30	GBP Visible Trade Balance (Pounds) (DEC)	Medium	-£10,890	-£11,450	-£11,550
Fri Feb 10	14:30	GBP Industrial Production (YoY) (DEC)	Medium	4.3%	3.2%	2.2%
Fri Feb 10	18:30	CAD Unemployment Rate (JAN)	High		6.9%	6.9%
Fri Feb 10	18:30	CAD Net Change in Employment (JAN)	High		-5.0k	46.1k
Fri Feb 10	20:00	GBP NIESR Gross Domestic Product Estimate (JAN)	Medium			0.5%
Fri Feb 10	20:00	USD U. of Michigan Confidence (FEB)	High		97.8	98.5
Fri Feb 10	20:00	USD U. of Mich. Current Conditions (FEB)	Low			111.3
Fri Feb 10	23:00	USD Baker Hughes U.S. Rig Count (FEB 10)	Medium			729

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	(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