

Gold

Technical

Gold markets continue to be volatile, but after initially falling, we found enough buyers to send the market towards the \$1325 level again. By doing so, it looks as if we are ready to break out, and I think we should then go towards the \$1350 level, the next area of major resistance. I think pullbacks continue to be buying opportunities, and with the overall attitude of negativity when it comes to the greenback, I believe it's only a matter of time before the buyers return to start buying gold again. I also recognize that there is a massive amount of support near the \$1300 level, so it's very difficult to envision a scenario in which a willing to sell anytime soon. Pay attention to the US Dollar Index, because if it falls gold almost automatically goes higher. It does tend to move in concert with the Euro as well, so that is another market you can pay attention to get enough confidence to start buying.

Pivot:	1,326		
Support	1,321	1,316	1,312
Resistance	1,332	1,335	1,339

Source: FX EMPIRE

Highlights

- Gold prices rose yesterday as the dollar steadied, but gains are expected to be muted ahead of inflation data
- Worries about inflation in the United States surfaced after data this month showed jobs growth surged and wages rose
- U.S inflation data for January is due on Wednesday
- A lower U.S currency makes dollar-denominated gold cheaper
- Hedge funds and money managers slashed their net long position in COMEX 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



Fundamentals

- Gold prices hit a near one-week high today in Asian session, helped by a weaker dollar and as investors awaited U.S. inflation data for clues on the pace of interest rate hikes.
- Spot gold was up 0.4 percent at \$1,327.81 an ounce. Earlier, it hit the highest since Feb. 7 at \$1,328.03. Yesterday, the yellow metal rose 0.5 percent, its biggest single-day percentage gain in more than one week. U.S. gold futures were up 0.3 percent at \$1,330 per ounce.
- We suspect that gold has pretty much decoupled from equities for much of the last week and is instead tracking the dollar's ups and downs more closely. The dollar index, which tracks the greenback against a basket of six major currencies, was last down 0.4 percent at 89.9, its biggest one-day percentage drop since Feb. 1.
- Meanwhile, Asian stocks pulled further away from two-month lows today, lifted by Wall Street's extended rebound from last week's steep fall. Gold held up better than stock markets last week... Relative to stocks, gold looks to be good in value and continued volatility in the equity markets might make gold more attractive for its lower volatility.
- So far, gold investors have been largely unconcerned. While demand for investment bars increased slightly, ETFs posted outflows with total holdings falling.
- Holdings of SPDR Gold Trust, the largest gold-backed ETF, fell 2.5 percent last week, the worst since the week ended July 30. Meanwhile, investors waited for U.S January inflation data, which is due on Wednesday.
- Inflation expectations edged lower last month, dulling a year-end rise, according to a survey published by the Federal Reserve Bank of New York on Monday. Inflation worries generally boost 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	
12/01/2017	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 has rallied significantly during the day on Monday but is starting to run into trouble near the \$61 level, an area that is congruent with an uptrend line that has been important. The fact that we broke down below that uptrend line late last week was a very negative sign, and it now looks as if we are trying to roll over from that level. If we do, I think we will continue the overall downtrend. Keep in mind that oversupply of crude oil is going to continue to be an issue as Americans are becoming very aggressive. Brent markets rallied as well, but struggled near the \$64.50 level, and obviously has a certain amount of psychological resistance at the \$65 level. At this point, I think that we are starting to roll over a bit so it's likely that the downward pressure should continue. United States has become the world's largest producer of oil.

Pivot:	59.50		
Support	58.75	58.05	57.25
Resistance	60.75	61.35	62.10

Source: FX EMPIRE

Highlights

- Prices for U.S benchmark crude saw a slight gain yesterday
- March crude added 9 cents, or nearly 0.2%, to settle at \$59.29 a barrel
- Crude oil prices lost nearly 10 percent in the last trading week
- Oil saw a steep decline last week after data showed an increase in U.S. oil production to a record weekly level
- OPEC said in yesterday's session it expected world oil demand to climb by 1.59 million barrels per day this year

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 prices rose today, lifted by a rebound in global stock markets that followed sharp falls last week, as well as by a weaker dollar which potentially supports more fuel consumption.
- U.S. West Texas Intermediate (WTI) crude futures were at \$59.60 a barrel. That was up 31 cents, or 0.5 percent, from their last settlement. Brent crude futures were at \$62.97 per barrel, up 38 cents, or 0.6 percent, from the previous close.
- "Oil markets attempted a half-hearted recovery overnight on little more than an equity market correlated bounce, and indeed the weaker U.S. dollar added to the momentum," said Stephen Innes, head of trading for Asia-Pacific at futures brokerage Oanda in Singapore.
- The dollar's index against a basket of six major currencies fell 0.3 percent to 89.923 today. A weaker dollar makes fuel imports cheaper for countries that use other currencies domestically, potentially spurring demand.
- Meanwhile, stock markets today pulled away from two-month lows from the previous week, when shares were roiled by some of the sharpest falls on record, shaking confidence across markets.
- With markets seemingly returning to calmer waters, oil traders said attention was turning to inventory levels to gauge crude supply levels. The change in inventories this week will be crucial for determining whether further declines in the oil price are on the cards.
- The private American Petroleum Institute (API) is due to publish crude inventory estimates on Tuesday, while the government U.S. Energy Information Administration (EIA) is set to release its fuel storage and crude production data on Wednesday.

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 course have been beaten up over the last couple of weeks, but after forming a supportive region near the \$16.25 level, it looks as if the buyers have returned. I think that the market will eventually go looking towards the \$17 level, which is an area that of course has a lot of psychological importance to it. If we can break above there, it's likely that we continue to go towards the \$17.50 level, an area that has been resistance previously. I believe that ultimately, we will break out to the upside, but the \$16 level underneath should be significant support. Remember, the US dollar has a major influence on where we go next, as it is the other side of this equation. When you trade Silver, one of the best things you can do is look towards the US Dollar Index, as it gives you an overall feeling as to where we are going next. In other words, if the US Dollar Index falls, then generally pushes silver higher.

Pivot:	16.60		
Support	16.49	16.37	16.24
Resistance	16.77	16.85	16.91

Source: FX EMPIRE

Highlights

- Silver finished higher yesterday, taking their cue from a weakening U.S Dollar to recoup roughly half of what they lost last week
- March silver added 43.1 cents, or 2.7%, to \$16.57 an ounce, while the silver-focused iShares Silver Trust rose 1.7%
- Silver gained as global stocks were rebounding from their weekly rout in two years
- The Dollar Index which gauges the greenback edged down by 0.3%
- The 10-year benchmark Treasury yield climbed to 2.86%

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 prices were ending the U.S. day session with solid gains Monday. The precious metals were supported by a weaker U.S. dollar index and a rebound in crude oil prices.
- Some short covering in the futures market and bargain hunting in the cash market were featured in both metals, following last week's selling pressure. Impressively, the metals were able to post good price gains despite a big rally in the U.S. stock market.
- March Comex silver was last up \$0.406 at \$16.545 an ounce. World stock markets were also higher Monday, on a bounce from last week's strong losses. The big question still on traders' minds to start the trading week is if the recent period of very high daily price volatility has ended.
- Price action early this week will go a long way in answering that question. Still, major chart damage has been inflicted on the U.S. stock indexes to suggest those markets have topped out. Such a scenario is a bullish underlying element for the precious metals markets.
- The key outside markets on Monday saw the U.S. dollar index weaker on a corrective pullback from recent good gains. However, there are early technical clues the USDIX has put in a near-term market bottom.
- The silver bears still have the overall near-term technical advantage. Silver bulls' next upside price breakout objective is closing prices above solid technical resistance at \$17.00 an ounce.
- The next downside price breakout objective for the bears is closing prices below solid support at \$16.00. First resistance is seen at \$16.75 and then at last week's high of \$16.955. Next support is seen at today's low of \$16.28 and then at last week's low of \$16.19.

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

Tuesday, February 13, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Feb 13	00:00	USD Monthly Budget Statement (JAN)	Medium	\$49.2b	\$51.0b	\$51.3b
Tue Feb 13	04:50	JPY Domestic Corporate Goods Price Index (YoY) (JAN)	Low	2.7%	2.7%	3.0%
Tue Feb 13	05:30	AUD NAB Business Confidence (JAN)	Medium	12		10
Tue Feb 13	11:00	JPY Machine Tool Orders (YoY) (JAN P)	Medium	48.8%		48.3%
Tue Feb 13	14:30	GBP Consumer Price Index (YoY) (JAN)	High	3.0%	2.9%	3.0%
Tue Feb 13	14:30	GBP Retail Price Index (YoY) (JAN)	Low	4.0%	4.1%	4.1%
Tue Feb 13	14:30	GBP House Price Index (YoY) (DEC)	Medium	5.2%	4.9%	5.0%
Tue Feb 13	16:00	USD NFIB Small Business Optimism (JAN)	Low	106.9	105.7	104.9
Tue Feb 13	18:00	Fed's Mester to Discuss Monetary Policy and Economic Outlook	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	(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