

## Gold

### Technical

Gold markets rallied a bit during the trading session on Thursday, breaking above the \$1325 level, show signs of strength again. It now looks as if it is going to try to break above the \$1335 level, which would be a bullish sign. I think that the \$1350 level above will be the target. However, we need the US dollar to continue to soften to help the gold markets, as we have seen a bit of a selloff as of late. Longer-term, I remain very bullish of gold, and I think it's only a matter of time before breaks out to the upside. It's going to take a significant amount of momentum though, because the area above \$1350 is extraordinarily noisy, and extends to the \$1400 level after that. If we were to get that moved, the market is very likely to continue to go in more of a "buy-and-hold" scenario. The alternate scenario of course is that we break down below the \$1320 level, then market goes down to the \$1300 level

Pivot:	1,328		
Support	1,321	1,317	1,312
Resistance	1,332	1,336	1,343

Source: FX EMPIRE

### Highlights

- Gold inched lower yesterday and was headed for its biggest weekly loss in 2018
- The Dollar was boosted by minutes from the last U.S Fed meeting that showed policymakers backed further rises in rates
- Gold slipped 0.1 percent to \$1,322.06 per ounce, and was down 1.8 percent so far this week
- Fears of inflation boost gold, which is seen as a safe haven against rising prices
- Financial markets have fluctuated wildly this month as investors fretted about how fast the Fed might raise rates

### Gold - Technical Indicators

RSI 14	63.56
SMA 20	1,253.2
SMA 50	1,246.1
SMA 100	1,276.3
SMA 200	1,284.8

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices slipped today and were headed for their sharpest weekly drop in 2-1/2 months as the dollar strengthened during the week. Spot gold was down 0.4 percent at \$1,326.65 an ounce, heading for a fifth session of fall in six. It has shed 1.6 percent so far this week, its biggest since the week ended Dec. 8, 2017.
- U.S gold futures were down 0.3 percent at \$1,328.40 per ounce. "We remain somewhat cautious on gold over the short-term given that we think the dollar rally is still not over, especially in the light of U.S. Treasury yields remaining elevated," said INTL FCStone analyst Edward Meir.
- The U.S Dollar index, which measures the greenback against a basket of currencies, was up 0.3 percent at 90.027, as global investors gingerly dipped their toes back into riskier assets amid rapidly shifting views on the U.S. monetary policy.
- It touched a 10-day high of 90.235 in yesterday's session after hitting a three-year low of 88.253 late last week and was on track for a gain of almost 1 percent this week.
- "People do know that interest rates will be raised, most likely in March, and have priced that in," said Brian Lan, managing director at dealer GoldSilver Central in Singapore. "People didn't go for the down, they covered their short and start to buy gold back again."
- On the upside, broad resistance between \$1,331-35 will be followed by the \$1,350 psychological level. Meanwhile, Asian shares rebounded on Friday as comments from a Federal Reserve official eased worries about faster rate rises in the United States. Financial markets have fluctuated wildly this month as investors fretted about how fast the Fed might raise rates after official data showed a pick-up in U.S. inflation.

### 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 rallied a bit during the trading session on Thursday, reaching towards the \$62.50 level. I think that the market has plenty of resistance above, especially near the previous uptrend line that had kept the market afloat. Because of this, I think this will end up being a selling opportunity, but you might want to get out of the way in the short term. There is plenty of drilling going on in the United States, and that should continue to be the case. However, we also had a falling US dollar during the day, so it's been a bit of a "double whammy." I expect this rally to be short-term though. Brent markets obviously do the same thing as it typically does, reaching out to fresh, new highs for the last couple of weeks. I still think that the previous uptrend line could cause a bit of trouble, so on the first signs of exhaustion I'm willing to start selling.

Pivot:	62.67		
Support	61.85	61.25	60.75
Resistance	63.10	63.85	64.85

Source: FX EMPIRE

### Highlights

- Oil surged to the highest in two weeks as U.S. supplies unexpectedly shrank and exports surged
- Futures advanced 1.8 percent in New York after a government report showed U.S. crude stockpiles slid 1.62 million barrels last week
- The market's been concerned about U.S. production ramping
- Output cuts from the Organization of Petroleum Exporting Countries are helping drain a global glut
- West Texas Intermediate for April delivery rose \$1.09 to settle at \$62.77 a barrel

### Crude - Technical Indicators

RSI 14	57.06
SMA 20	44.65
SMA 50	46.23
SMA 100	47.56
SMA 200	53.27

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices rose to two-week highs in yesterday's trading session, boosted by data showing a surprise draw in U.S. crude inventories and also by a drop in the dollar.
- West Texas Intermediate (WTI) crude futures rose \$1.09, or about 1.8 percent, to settle at \$62.77 a barrel. U.S. crude traded between \$60.75 and \$63.09, its highest since Feb. 7. Brent futures rose 97 cents to settle up about 1.5 percent at \$66.39 a barrel. It hit a two-week peak at \$66.56.
- U.S. crude inventories unexpectedly fell 1.6 million barrels last week as net imports dropped to a record low and exports surged, while inventories declined further at the key storage hub in Cushing, Oklahoma, according to data from the Energy Information Administration (EIA).
- Crude inventories had been forecast to rise 1.8 million barrels, as stocks seasonally increase when refineries cut intake to conduct maintenance. Weekly EIA data was particularly supportive to WTI considering U.S. and Cushing draws, a boost in crude exports above 2 million bpd and flat crude production.
- Crude stocks at the Cushing, Oklahoma, delivery hub for U.S. futures fell 2.7 million barrels last week, the ninth straight week of drawdowns, the EIA said. The reason that the inventories continue to drop at Cushing is because the market remains backwardated and therefore it's uneconomical to be storing crude.
- In a market structure called backwardation, prompt crude prices are higher than forward prices, discouraging storage. It makes more sense to liquidate your on-hand inventories. U.S. net crude imports fell 1.6 million barrels per day to just below 5 million bpd last week, the lowest level since the EIA started recording the data in 2001.

### 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 went sideways initially yesterday, reaching down towards the \$16.40 level. That area has offered enough support to cause market to bounce rather significantly, as the US dollar has fallen. I believe that the Silver markets are trying to find enough support to rally again, and I believe that the market is probably one that you can buy on dips. That could be wrong, this is a market that will have a lot of trouble, but longer-term I believe that the buyers will certainly come out on top. Pay attention to the US Dollar, if it starts to fall that is a natural lip for the Silver markets, and by proxy the entire precious metals region. The \$17 level above is resistance as well, so I think that if we were to break above there, the market would pick up momentum and continue to go towards the \$17.25 level. The alternate scenario is that if it goes below \$16.30 level then goes looking towards the \$16 level.

Pivot:	16.58		
Support	16.37	16.25	16.16
Resistance	16.73	16.84	16.96

Source: FX EMPIRE

### Highlights

- Silver prices were down 0.3 percent at \$16.57 an ounce today in European session
- Silver eased today, heading towards its biggest weekly decline
- The U.S Dollar climbed further from last week's three-year low on the back of higher Treasury yields
- Volatility has jumped across financial markets this month
- Investors worried about the pace of U.S. rates hikes in the wake of data showing a pick-up in inflation

### 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 ended the yesterday's U.S trading session not far from unchanged levels on the day. Both gold and silver safe-haven metals saw some early selling pressure in the present environment of not much risk aversion in the marketplace.
- However, a sell-off in the U.S dollar index as Thursday's trading day progressed was a bullish outside market force supporting the precious metals. April Comex goldfutures were last up \$0.70 an ounce at \$1,332.70. March Comex silver was last up \$0.012 at \$16.605 an ounce.
- The marketplace has digested Wednesday afternoon's FOMC minutes that said stronger-than-expected U.S. economic growth in recent weeks is keeping the Federal Reserve on pace to keep gradually raising U.S. interest rates.
- The minutes prompted choppy trading in the stock and currency markets, and pushed U.S. Treasury yields up. The Fedreal reserve's minutes contained elements that could be deemed as both hawkish and dovish on U.S. monetary policy.
- Volatility has jumped across financial markets this month as investors worried about the pace of U.S. rates hikes in the wake of data showing a pick-up in inflation.
- St Louis Fed President James Bullard tried to tamp down expectations of four rate hikes in 2018 in yesterday's trading session. Three increases are widely anticipated.
- Stocks have steadied after recent sharp losses, while the dollar has found its feet after last week falling to its lowest since the end of 2014. Rising U.S. yields have put the currency on track for its second biggest weekly gain of the year. In addition to their impact on currencies, higher yields can also weigh on gold and silver.

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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

Friday, February 23, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Feb 23	02:45	NZD Retail Sales Ex Inflation (QoQ) (4Q)	Medium	1.7%	1.4%	0.2%
Fri Feb 23	04:30	JPY National Consumer Price Index (YoY) (JAN)	High	1.4%	1.3%	1.0%
Fri Feb 23	04:30	JPY National Consumer Price Index (YoY) (JAN)	High	1.4%	1.3%	1.0%
Fri Feb 23	15:00	EUR Euro-Zone Consumer Price Index (YoY) (JAN)	Medium	1.3%	1.3%	1.4%
Fri Feb 23	17:00	GBP BOE's Ramsden Speaks on Productivity in Cambridge	Low			
Fri Feb 23	18:30	CAD Consumer Price Index (YoY) (JAN)	High		1.5%	1.9%
Fri Feb 23	20:15	Fed's Dudley and Rosengren Speak on Panel on Fed Balance Sheet	Low			
Fri Feb 23	21:00	Fed Releases February 2018 Monetary Policy Report to Congress	Low			
Fri Feb 23	23:00	USD Baker Hughes U.S. Rig Count (23 FEB)	Medium			975

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
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