

Gold

Technical

Gold markets rallied during the week, breaking above the \$1360 level, and heading towards the \$1375 level. I believe that the market will continue to be bullish longer-term, but we may need to pull back a bit as we have probably gotten a little bit ahead of ourselves. Markets do tend to revert to the mean, which means a pullback is necessary. At the very least, I believe that we need to go sideways so that we can build up momentum. I suspect that the market will be volatile, but I'm not interested in selling these potential pullbacks, because I think it's only a matter of time before the market rejoins the uptrend. Pay attention to the US Dollar Index, because it course will have an influence on where we go next. Remember, gold tends to be the "anti-dollar" trade, so if it falls, gold typically does quite well. The 20 SMA on the weekly chart is bullish and I think it will continue to be so.

Pivot:	1,346		
Support	1,342	1,335	1,328
Resistance	1,357	1,361	1,366

Source: FX EMPIRE

Highlights

- The U.S Dollar is currently wobbling near a three-year lows against a basket of major currencies today
- Asian shares looked to extend their recent bull run amid upbeat corporate earnings and strong global economic growth
- U.S economic growth unexpectedly slowed in the fourth quarter
- The strongest pace of consumer spending in three years resulted in surge in imports
- The Euro zone's economy could prove to be a shining star again this year

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 eased today in Asian session as the U.S. dollar gained some lost ground and continued gains in equities weighed on the bullion. However, the yellow metal hovered near a 17-month high hit last week as the greenback hit a three-year low after U.S. Treasury secretary Steven Mnuchin backed a weaker currency.
- Spot gold was down 0.2 percent at \$1,347.60 per ounce in early hours of trading. U.S. gold futures for February delivery slipped 0.5 percent to \$1,345.80 per ounce. The U.S dollar is trying to climb back up and that is weighing on gold currently
- There is a lot of dollar-related buying and selling in the gold market right now. The dollar crawled up from lows but struggled to pull ahead from six straight weeks of losses on its evaporating yield advantage and doubts about Washington's commitment to a strong currency.
- A stronger dollar makes bullion more expensive for holders of other currencies. Earlier in the session, the dollar index against a basket of six major currencies, rose 0.2 percent to 89.215, extending its rebound from 88.429, a three-year nadir set on Thursday.
- Meanwhile, Asian shares extended their bull run amid upbeat corporate earnings and strong global economic growth. However, gold's weakness due to a stronger dollar and equity markets could be temporary.
- Gold will touch the \$1,400-an-ounce level again as long as it doesn't break the \$1,260 mark. The yellow metal had dropped below the \$1,400-an-ounce level in Sept. 2013 and has not crossed above the level since.
- The recent strength in equity markets has been keeping gold prices from going higher. When equities start to come down, gold will definitely be the first gainer. Gold may drop to \$1,335 per ounce, according to Reuters technical analyst.

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 during the week, breaking above the \$66 level at one point. I think that it's only a matter of time before we continue to go higher, perhaps reaching towards the next psychologically significant level, the \$70 handle. The markets continue to be very bullish, so I think pullbacks offer value, with the \$60 level being a "hard floor" in the longer-term trend from what I can see. There is a nice uptrend line that we are following, and with the 20 SMA being underneath, it's likely that we will continue to see bullish pressure. Brent markets have rallied as well, breaking above the \$70 handle, suggesting that we are going to continue to go even higher, as it has cleared a major level of resistance from 2015. I think that the markets continue to offer plenty of opportunity at lower levels but breaking above the \$70 level is in fact a very strong sign.

Pivot:	66.15		
Support	65.76	65.40	64.90
Resistance	66.65	66.95	67.20

Source: FX EMPIRE

Highlights

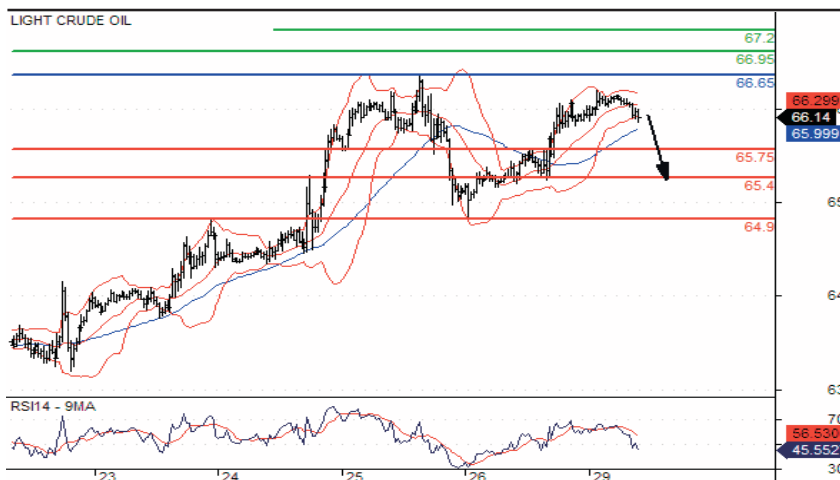
- Oil dipped today as soaring North American production was seen undermining efforts led by OPEC and Russia
- U.S crude futures were at \$66.24 a barrel, up 10 cents
- So far this month, the Brent crude price has risen by 6.3 percent, making this its largest rise in January since 2013
- One of the key drivers has been the dollar, which has lost 3.2 percent
- In the last couple of months, oil has tended to move inversely to the dollar

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 dipped today in Asian trading session as soaring North American production was seen undermining efforts led by OPEC and Russia to tighten supplies.
- Despite this, Overall market conditions remained strong due to the production cuts and healthy demand-growth. Brent crude futures held above \$70 per barrel, but were down by 19 cents from their last close at \$70.34 a barrel.
- U.S. West Texas Intermediate (WTI) crude futures were at \$66.19 a barrel, up 5 cents earlier today in Asian session. Despite generally bullish sentiment, analysts said the market was coming under pressure from rising output in North America.
- U.S. crude production has grown by over 17 percent since mid-2016 to 9.88 million barrels per day (bpd) in mid-January. Output is expected to break through 10 million bpd soon. U.S. energy companies added 12 oil rigs drilling for new production last week, taking the total to 759, General Electric Baker Hughes energy services firm said on Friday.
- U.S. production is already on par with top exporter and OPEC kingpin Saudi Arabia. Only Russia produces more, averaging 10.98 million bpd in 2017. There are also signs that Canadian oil production, already at 335,000 bpd, could start to rise as investment in its shale sector picks up
- Canada's overall crude production currently stands at 4.2 million bpd. Oil major Total said on Monday that production at its Fort Hill oil sands project has started and that output would reach 180,000 bpd over the next few months.
- Growing North American output has been one of few factors holding back oil markets. Crude has been propped up by supply restraint led by the OPEC. These have coincided with strong demand on the back of healthy economic growth.

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 rally during the week, reaching towards the \$17.50 level, but gave back a bit of the gains, showing signs of volatility. However, I believe that the market should continue to go much higher, but we have a significant amount of resistance just above, especially rally \$18 level. If we can break above there, the market should then go to the \$18.50 level, and then eventually the \$19 level and beyond. Longer-term, I suspect that Silver will go looking towards the \$20 level as the US dollar looks very unlikely to be strong this year. In fact, we have seen the US dollar selloff against most currencies, so obviously that will put upward pressure on Silver markets, as well as all other precious metals markets. I think commodities in general will do reasonably well this year, and of course Silver tends to be one of the more volatile ones. I think if we can break to the upside.

Pivot:	17.35		
Support	17.22	17.11	16.94
Resistance	17.55	17.70	17.80

Source: FX EMPIRE

Highlights

- Silver fell 0.4 per cent to \$17.33 per ounce. It rose about 2.3 per cent last week, its biggest weekly gain for the year, so far
- The US Dollar is trying to climb back up and that is weighing on silver currently
- There is a lot of dollar-related buying and selling in the gold market right now
- The dollar crawled up from lows but struggled to pull ahead from six straight weeks of losses on its evaporating yield advantage
- Asian shares extended their bull run amid upbeat corporate earnings

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

- Gold prices inched higher early today in Asian session as the US dollar hovered around three-year lows, trading not far off more than 17-month highs hit last week.
- The Dollar wobbled near three-year lows against a basket of major currencies on Monday, struggling to pull ahead from six straight weeks of losses amid its evaporating yield advantage and doubts about Washington's commitment to a strong currency.
- Asian shares looked to extend their recent bull run amid upbeat corporate earnings and strong global economic growth, while more rumblings from the White House about "unfair" trade practices kept the US dollar on the defensive.
- US economic growth unexpectedly slowed in the fourth quarter as the strongest pace of consumer spending in three years resulted in a surge in imports. Data showed on Friday.
- Attempts to target exchange rates risk setting off a currency war, a top European Central Bank executive argued on Friday, just days after US officials made their case for a weaker dollar to boost trade.
- The euro zone's economy could prove to be a shining star again this year, but persistently tepid inflation will probably keep the European Central Bank from following its peers and tightening monetary policy anytime soon.
- US Trade Representative Robert Lighthizer is hopeful about talks to renegotiate the North American Free Trade Agreement but realizes a great deal of work remains, Republican US Congressman Dave Reichert said on Sunday after a briefing.
- Silver fell 0.4 per cent to \$17.33 per ounce. It rose about 2.3 per cent last week, its biggest weekly gain for the year, so far. Platinum slipped 0.5 per cent to \$1,004.74 per ounce, after dipping 0.3 per cent last week.

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

Monday, January 29, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Jan 29	12:00	EUR German Import Price Index (YoY) (DEC)	Low		1.1%	2.7%
Mon Jan 29	14:00	CHF Domestic Sight Deposits CHF (JAN 26)	Low			468.9b
Mon Jan 29	18:30	USD Personal Income (DEC)	Medium		0.3%	0.3%
Mon Jan 29	18:30	USD Personal Spending (DEC)	Medium		0.4%	0.6%
Mon Jan 29	18:30	USD Real Personal Spending (DEC)	Medium		0.4%	0.4%
Mon Jan 29	18:30	USD PCE Core (MoM) (DEC)	Medium		0.2%	0.1%
Mon Jan 29	18:30	USD PCE Core (YoY) (DEC)	High		1.5%	1.5%
Mon Jan 29	20:30	USD Dallas Fed Manufacturing Activity (JAN)	Medium		25.5	29.7
Mon Jan 29	21:00	EUR ECB's Coeure Speaks in Paris	Low			

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