

Gold

Technical

Gold prices rebounded yesterday, pushing up against resistance which is the former breakdown level near the 10-day moving average at 1,231. A softer than expected German IFO report was offset by robust EU money supply and a drop in U.S New Home Sales. Support on the yellow metal is seen near the July lows at 1,211. Target support is seen near the July 2017 lows at 1,204. Momentum has turned positive as the MACD index generated a crossover buy signal. This occurs as the MACD line (the 12-day moving average minus the 26-day moving average) crosses above the MACD signal line (the 9-day moving average of the MACD line). U.S MBA mortgage market index sank 0.2% along with a 1.0% fall in the purchase index and 0.9% rise in the refinancing index for the week ended July 20. The average 30-year fixed mortgage rate was unchanged at 4.77%.

Pivot:	1,231		
Support	1,227	1,223	1,218
Resistance	1,235	1,240	1,245

Source: FX EMPIRE

Highlights

- Gold prices eased today as immediate global trade tension eased
- A sliding greenback makes dollar-denominated gold cheaper for holders of other currencies
- The dollar continuing to creep slightly lower has been helpful across the board in commodity demand
- There is scope for the dollar to ease a bit, which should provide support for gold
- With the dollar expected to roll over and upside pressure to U.S bond yields easing, medium- to longer-term buying opportunities should open up

Gold - Technical Indicators

RSI 14	70.21
SMA 20	1,260.3
SMA 50	1,259.1
SMA 100	1,258.9
SMA 200	1,257.5

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices held steady today as the dollar eased after U.S President Donald Trump and European Commission President Jean-Claude Juncker agreed to work towards eliminating trade barriers, easing immediate concerns about global trade tensions. The gold price expected to average \$1,260 an ounce in the third quarter and \$1,300 in the fourth quarter.
- Spot gold was little changed at \$1,231.12 an ounce. Earlier in the session, the yellow metal hit \$1,235.16, its highest in more than a week. U.S gold futures for August delivery were 0.03 percent lower at \$1,231.40 an ounce.
- The dollar sagged today and the euro advanced, as the United States and the European Union agreed to begin talks towards easing trade barriers on industrial goods. The U.S. central bank raised interest rates in June for the seventh time since December 2015.
- Trump agreed to refrain from imposing car tariffs, while the United States and European Union launched negotiations to cut other trade barriers, easing the threat of a transatlantic trade war.
- The U.S-China trade dispute, though, still remains unresolved and is the more challenging one. On gold, it is likely to ebb and flow with U.S dollar movements, before gaining momentum towards the end of the year.
- Meanwhile, investors are also watching out for the European Central Banks' (ECB) policy meeting, which is due later in the day and the second-quarter U.S economic growth data, which is expected on Friday.
- Rising investor interest in gold can be seen in the holdings of the largest gold-backed, exchange-traded fund, New York's SPDR Gold Trust, which are up more than 1 percent to 25.803 million ounces since July 18.

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

Based on the early price action, the direction of the September WTI crude oil market yesterday is likely to be determined by investors reaction to the 50% level at \$67.99. The main trend is down according to the daily swing chart. A trade through \$69.31 will change the main trend to up. This will also make \$67.56 a new main bottom. U.S West Texas Intermediate oil futures are trading slightly higher. The market is being supported by the American Petroleum Institute's weekly inventories report which showed bigger-than-expected draw downs in crude oil, gasoline and distillates. Crude oil drew down 3.16 million barrels during the week-ending July 21, versus an estimate of 2.331 million barrels. Gasoline inventories fell 4.87 million barrels, well above the forecast for a 713,000 barrel drawdown. Distillate inventories dropped 1.32 million barrels, versus a forecast for a build of 207,000 barrels.

Pivot:	69.34		
Support	68.85	68.35	67.95
Resistance	69.75	70.15	70.60

Source: FX EMPIRE

Highlights

- Crude oil is on the high side once again on news that Saudi Arabia is seeing constraint in a major shipping lane
- Prices were also supported by official data showing U.S crude oil inventories
- Gasoline inventories fell by 2.328 million barrels, topping expectations of 0.713 million barrel
- 5 million barrels per day Petroline could transport around 60 percent of total Saudi oil exports
- Oil is still a ways off from its multi-year high of 75.35, but bulls have been pushing steadily since bottoming out at 63.50 in June

Crude - Technical Indicators

RSI 14	37.55
SMA 20	70.29
SMA 50	70.33
SMA 100	70.49
SMA 200	70.64

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Brent crude led oil prices higher today, extending gains into a third day after Saudi Arabia suspended crude shipments through a strategic Red Sea shipping lane and as data showed U.S inventories fell to a 3-1/2 year low.
- Brent crude futures had risen 42 cents, or 0.6 percent, to \$74.35 a barrel, after gaining 0.7 percent. U.S West Texas Intermediate crude futures were up 5 cents at \$69.35 a barrel, after climbing more than 1 percent in the previous session.
- Prices were also supported by official data showing U.S crude oil inventories last week tumbled more than expected to their lowest level since 2015 as exports jumped and stocks at the Cushing hub dropped.
- Saudi Arabia has another option in the Petroline, which mainly transports crude from fields clustered in the east to the Red Sea port of Yanbu for export to Europe and North America
- At 404.9 million barrels, inventories, not including the nation's emergency petroleum reserve, were at their lowest level since February 2015. The massive draw in crude supplies emerged as imports fell by 2.518 million barrels a day (bpd) and exports rose by 1.222 million bpd.
- Reports that Saudi Arabia is temporarily halting all oil shipments through the Red Sea shipping lane of Bab al-Mandeb after an attack on two big oil tankers by Yemen's Iran-aligned Houthi movement also pushed oil prices higher.
- Elsewhere, the loss of Iran crude has also supported sentiment on oil prices this week after Trump warned his Iranian counterpart that threats against the U.S would be met "with consequences few in history have suffered."

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 started this week with a breakout of the lower line of the wedge, which in theory, gave us a strong sell signal. Buyers try to deny that today and they initiate a reversal, which potentially can create us a right shoulder of the inverse head and shoulders formation. For the proper buy signal, it need to see the breakout of the black neckline first. There is a humongous amount of support extending down to the \$15 level underneath, which is a large, round, psychologically significant number, in the scene of a massive buying the last time were down in this area. The market should continue to go higher over the longer-term, and investors are starting to pick up silver because it is cheap, and that given enough time to strengthening of Silver. Prices have been manipulated, and it's only a matter of time before they buyback plenty of positions to make the market should higher.

Pivot:	15.59		
Support	15.50	15.42	15.30
Resistance	15.66	15.72	15.85

Source: FX EMPIRE

Highlights

- Silver prices marked high 0.9 percent to \$15.58 an ounce, after reaching an eight-day high of \$15.63
- Silver futures rose as the dollar index backed off one-year highs
- The dollar index has advanced roughly 2.7% in the first seven months of the year
- September Comex silver was up \$0.05 at \$15.575 an ounce
- Market expectations are in large part based on Fed signals, which are for two more hikes this year

Silver - Technical Indicators

RSI 14	53.61
SMA 20	16.29
SMA 50	16.28
SMA 100	16.28
SMA 200	16.25

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices are modestly higher in early-afternoon U.S trading yesterday. Some mild more short covering by the shorter-term futures investors is featured again today in both metals, following recent strong selling pressure that drove both to 12-month lows last week. A lack of major market news so far this week is keeping trading lackluster in many markets.
- World stock markets were mixed to weaker overnight. U.S stock indexes also mixed in midday trading today. There remains little risk aversion in the marketplace at present, which is bearish for safe-haven silver.
- Silver futures due on September 15 rose 0.32% to \$15.57 an ounce from the opening of \$15.52, while the dollar index shed 0.08% to 94.53 from the opening of 94.61.
- A stronger dollar can make commodities priced in the currency more expensive compared with those using other monetary units. And silver have been in the doldrums in recent weeks and months as the dollar has gained traction. Silver is off 9.5% so far this year.
- The big U.S economic data point of the week is Friday's first estimate of gross domestic product (GDP). The number is expected to come in at up a strong 4.4%. However, some analysts are even calling for a number of 5.0% or just above.
- Earlier US data showed new home sales fell 5.3% in June to an annualized 631 thousand units, compared to a 3.9% increase in May to 666 thousand, while analysts expected a 3.1% drop to 668 thousand units.
- The office of the US Trade Representatives is holding an official hearing on Tuesday and Wednesday on proposed tariffs on Chinese products worth \$16 billion, before presenting policy suggestions to the US President.

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

Thursday, July 26, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs July 26	16:45	EUR European Central Bank Rate Decision (JUL 26)	High		0.00%	0.00%
Thurs July 26	16:45	EUR ECB Marginal Lending Facility (JUL 26)	High		0.25%	0.25%
Thurs July 26	16:45	EUR ECB Deposit Facility Rate (JUL 26)	High		-0.40%	-0.40%
Thurs July 26	17:30	USD Advance Goods Trade Balance (JUN)	High		-\$66.6b	-\$64.8b
Thurs July 26	17:30	USD Wholesale Inventories (MoM) (JUN P)	Medium		0.5%	0.6%
Thurs July 26	17:30	USD Initial Jobless Claims (JUL 21)	Medium		215k	207k
Thurs July 26	17:30	USD Continuing Claims (JUL 14)	Medium		1735k	1751k
Thurs July 26	17:30	USD Durable Goods Orders (JUN P)	Medium		3.0%	-0.4%
Thurs July 26	17:30	USD Durables Ex Transportation (JUN P)	Medium		0.5%	0.0%

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
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