

Gold

Technical

Gold markets went sideways initially during the day on Thursday, and then fell rather significantly in a sudden downdraft. This looks a lot like profit-taking, so we will have to see what happens next. I believe there is plenty of support down to at least the \$1250 level, so as soon as we get a supportive candle or a bounce, I am willing to buy. It's not until we break down below the \$1240 level that I would be willing to start selling. Yes, I recognize that there is a lot of negativity in the market suddenly, but at the end of the day it is yet a blip on the radar of the overall uptrend. I need to see a supportive candle underneath to start buying again, but that is my plan right now, to buy dips as they occur. I believe that the gold markets will probably go towards the \$1275 level over the longer term, and then eventually the \$1300 level after that. I have no interest in shorting until we break down \$1240 level.

Pivot:	1,259		
Support	1,254	1,250	1,248
Resistance	1,264	1,267	1,270

Highlights

- Gold prices slipped ahead of a U.S GDP report that economists expect to show rebound from a sluggish start to the year
- Gold movement has been relatively choppy since midweek
- When a Fed policy update was read as mostly dovish by investors, lifting gold prices to their highest finish since mid-June
- Today, August gold slipped 70 cents, or 0.1%, to \$1,259.30 an ounce
- Gold got boost as a key gauge for the U.S dollar touched its lowest level in more than year

Gold - Technical Indicators

RSI 14	78.49
SMA 20	1,205.2
SMA 50	1,174.3
SMA 100	1,198.5
SMA 200	1,225.8

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold held near six-week highs on Friday though its recent rally appeared to falter as investors awaited U.S. gross domestic product (GDP) data for more clues about the pace of U.S. monetary policy tightening.
- Stronger than expected growth would leave the U.S. Federal Reserve on track to raise rates, pushing up bond yields and making non-yielding gold less attractive. It would also bolster the dollar, making bullion more expensive for holders of other currencies.
- Spot gold was flat at \$1,258.61 an ounce after touching \$1,264.99, the highest since June 15, on Thursday. It was on track to rise for a third week in a row. U.S gold futures for August delivery were 0.2 percent lower at \$1,258 an ounce.
- The dollar was slightly weaker and U.S. bond yields slightly higher, while share prices fell. The biggest risk to gold prices was a stronger dollar. Gold has risen by about \$55 since early July thanks to dollar weakness and short-covering, he said, but the rally was on a rather weak footing because at the same time you had the physical market selling.
- The U.S data would have to be very disappointing to push gold significantly higher and he expected prices to fall to \$1,200 an ounce. Economists expected U.S. GDP to have increased at a 2.6 percent annual rate in April-June, but positive economic data released on Thursday prompted some to raise their forecasts.
- On the technical side, fibonacci resistance was firm at \$1,261.30 and support at \$1,250.50. Gold looks well supported ahead of the 100-day moving average at \$1,249, and a consolidation above \$1,260 could support a move higher.
- Chinese data today in Asian session showed consumption of gold in the country rose by 10 percent in the first half of the year while production fell, leading to higher imports.

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 initially went sideways during the session on Thursday, and then dipped. However, somewhere near the \$48.25 level, the trader started to jump back into the market and push it higher. We broke above the \$49 handle, showing signs of strength yet again. I believe that we are going to make a run towards the \$50 level, where I would expect to see a significant amount of resistance. Because of this, the market should continue to see a lot of volatility in that general vicinity, but in the short term I think that the buyers are going to continue to run the show. I believe that there is significant support at \$47.50 below though, so I anticipate that we get a bit of a “2 speed market.” Brent markets have outperformed the WTI market slightly during the day on Thursday, but I think that given enough time we should see buyers get involved as we continue to push towards the \$52.50.

Pivot:	49.01		
Support	48.25	47.70	47.17
Resistance	49.58	50.17	50.70

Highlights

- Oil prices rose to an eight-week high on Thursday, as a rally in U.S. gasoline futures spurred further gains this week
- OPEC members pledged to reduce exports and the U.S. government reported a sharp decline in crude inventories
- West Texas Intermediate crude gained 29 cents, or 0.6 percent, to settle at \$49.04
- The U.S Energy Information Administration reported a 7.2 million barrel drop in U.S inventories
- Saudi Arabia said this week it planned to limit crude exports to 6.6 million bpd

Crude - Technical Indicators

RSI 14	37.83
SMA 20	46.58
SMA 50	50.15
SMA 100	51.59
SMA 200	49.94

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices edged higher today, reaching fresh two-month highs and on track to post the strongest weekly gains this year as investors digested signs of an easing oversupply picture.
- U.S. crude and gasoline inventories fell much more steeply than expected this week and the world's biggest oil exporter Saudi Arabia said it would further reduce oil output in August.
- The front of the crude oil curve jumped into backwardation, with the month-ahead trading above the subsequent month, showing investors are not expecting recent gains to last. U.S. West Texas Intermediate (WTI) crude futures were flat at \$49.04 a barrel, near a two-month high of \$49.24.
- Positive signs came from the draw in gasoline stocks this week, as the U.S. moves into the peak driving season. U.S. crude stocks fell sharply by 7.2 million barrels in the week to July 21 due to strong refining activity and an increase in exports, according to data from the Energy Information Administration (EIA).
- Brimming U.S. crude supplies have been a challenge to production cuts to prop up prices led by the Organization of the Petroleum Exporting Countries, meaning weekly U.S. inventory data is closely watched. Despite these signs, assessments of the oil market remained bearish.
- We believe the latest price rise is on a fragile footing. OPEC production was likely to rise in the coming months as the group has not officially capped output from members Libya and Nigeria. Investors were eyeing an update on the U.S. rig count expected later today to assess any signs of a slowing down in drilling activity.
- More market watchers are getting upbeat about the market, saying falling U.S. and European inventories along with still-robust demand from Asia means oil prices should hold up near-term.

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 rolled over after initially tried to rally on Thursday. By doing so, it looks as if we're going to test the breakout, to see if there is support there. If we can bounce from just below current levels, the market could find itself reaching towards the \$17 level. I believe that the market should continue to favor silver overall, as although the US dollar has seen a bit of a resurgence during the day, this is a bit of a relief rally more than anything else. I believe that the \$16.50 level below should be supportive, so a bounce or a supportive candle from the general vicinity could be a nice buying opportunity. I believe that the market will then go hunting for the \$17 level but obviously Silver will continue to be volatile as it typically is anyway. We had gotten towards a bit of an overextension by the bullish traders out there, so a pullback makes sense as there is a bit of profit-taking.

Pivot:	16.55		
Support	16.48	16.38	16.32
Resistance	16.65	16.74	16.82

Highlights

- Silver prices rose sharply, as the dollar fell to 15-month lows in the wake of the Federal Reserve's latest policy decision
- Silver for September delivery gained 30 cents, or 1.8%, to \$16.76 a troy ounce
- The futures contract fluctuated between \$16.60 and \$16.74
- The U.S. dollar index got whacked in overnight trade, where it reached its lowest level since April 2016
- Precious metals have long traded in the opposite direction of the dollar

Silver - Technical Indicators

RSI 14	77.87
SMA 20	16.83
SMA 50	16.57
SMA 100	17.06
SMA 200	17.16

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver edged lower today in European session, but is holding on to narrow weekly gains as momentum returned to the commodity markets despite a series of volatile moves.
- September silver futures slipped 3 cents, or 0.2%, to \$16.54 a troy ounce. The futures contract hovered within a narrow range of \$16.51 and \$16.59 through the overnight session.
- Silver spiked nearly 2% before giving back most of its gains. As a result, the metal is on track for a weekly gain of around 0.5%. Over the last three weeks, silver has returned more than 7%, erasing heavy losses through the first seven days of July. At its lowest, the grey metal traded at more than one-year lows.
- Gold prices also moderated after a sharp rally during the previous session. The December futures contract was last down \$1.90, or 0.1%, at \$1,264.70 a troy ounce. Bullion is up roughly 0.3% this week.
- Earlier this week, the London Metal Exchange (LME) announced it will begin publishing gold and silver reference prices, possibly challenging the dominance of the Intercontinental Exchange (ICE), which administers benchmarks that are used to price contracts.
- Currently, producers and consumers rely on benchmarks owned by the London Bullion Market Association (LBMA), according to Reuters. The U.S. dollar index (DXY) was down 0.2% through the morning session. The dollar popped on Thursday after the U.S. Commerce Department reported a surge in durable goods orders for the month of June.
- The International Monetary Fund (IMF) recently downgraded its outlook on the world's largest economy. U.S. GDP is now expected to grow just 2.1% this year, down from the previous estimate of 2.3%. The Washington-based lending institution also lowered its 2018 outlook for U.S. growth to 2.1% from 2.5%.

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	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

Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Jul 28	04:01	GBP GfK Consumer Confidence Survey (Jul)	Medium	-12	-11	-10
Fri Jul 28	04:30	JPY Jobless Rate (Jun)	Medium	2.8%	3.0%	3.1%
Fri Jul 28	04:30	JPY National Consumer Price Index (YoY) (Jun)	High	0.4%	0.4%	0.4%
Fri Jul 28	10:30	EUR French Gross Domestic Product (YoY) (2Q)	Medium	1.8%	1.6%	1.1%
Fri Jul 28	14:00	EUR Euro-Zone Consumer Confidence (Jul)	Low	-1.7	-1.7	-1.7
Fri Jul 28	17:00	EUR German Consumer Price Index (YoY) (Jul)	High	1.7%	1.5%	1.6%
Fri Jul 28	17:30	CAD Gross Domestic Product (YoY) (May)	High	4.6%	4.2%	3.3%
Fri Jul 28	17:30	USD Gross Domestic Product (Annualized) (2Q)	High	2.6%	2.7%	1.2%
Fri Jul 28	22:00	USD Baker Hughes U.S. Rig Count (Jul 28)	Medium			950

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	(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