

Gold

Technical

Gold prices edge higher as the dollar lost some ground following a weaker than expected private payrolls report released yesterday by ADP. The report weighed on treasury yields as the surprising miss led investors to believe that the Fed might hold rates unchanged following a tightening in September. The decline in private payrolls was the lowest increase in jobs since October of 2017. Prices are consolidating and will take their cues from trading the greenback. Gold prices moved higher but were unable to push above resistance near the 10-day moving average at 1,201. Additional resistance is seen near the 50-day moving average at 1,217. Momentum appears to be neutral as the MACD histogram prints in the black with a flat trajectory which points to consolidation. The fast stochastic is still reflecting accelerating negative momentum following the recent crossover sell signal.

Pivot:	1,200		
Support	1,198	1,196	1,193
Resistance	1,204	1,207	1,209

Source: FX EMPIRE

Highlights

- Gold prices rose today morning in Asia as the U.S dollar slipped against Japanese yen
- A fresh wave of tariffs on an additional \$200 billion worth of Chinese goods that can take effect as early as today is also keeping markets on edge
- Gold futures for December delivery climbed 0.27% to \$1,207.5 per troy ounce
- Higher rates are a dollar booster and a drag on nonyielding bullion
- The dollar fell against a basket of six major currencies, while there is not a sharp move from either gold or the dollar

Gold - Technical Indicators

RSI 14	42.09
SMA 20	1,196.1
SMA 50	1,196.4
SMA 100	1,197.4
SMA 200	1,198.6

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold clawed higher yesterday, propelled by a weaker dollar, short-covering and physical buying in Asia. Worries about new U.S trade tariffs on China cast a cloud over the market.
- The relief bounce and gold's strong oversold conditions are leading some investors to short-cover. The bottom is very close because the U.S dollar is close to reaching the top, together with the peak of the U.S economy.
- Spot gold gained 0.3 percent at \$1,199.68 per ounce, after rising 0.5 percent in the previous session. U.S gold futures for December delivery settled up \$3, or 0.3 percent, at \$1,204.30 per ounce. The economic data did little to sway expectations for higher U.S interest rates.
- Gold has tumbled more than 12 percent from a peak of \$1,365.23 in April. The price levels have recently sparked a lot of physical buying, not just in active gold-buying countries like India and China but also in Southeast Asia for investment purposes.
- China's yuan weakened against the dollar yesterday as investors braced for more sweeping tariffs expected soon from Washington, making gold expensive for buyers in the world's biggest consumer.
- Gold has been under pressure for most of this year on rising interest rates, global trade tensions and an emerging-market currency crisis, with investors parking their money in the dollar, undermining the metal's safe-haven status.
- Markets will closely watch a U.S employment report due today for clues about the pace of interest rate increases by the Federal Reserve. This week's non-farm payrolls data could strengthen the dollar further and push gold down. But it is likely to take support near \$1,140.

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 main trend is up according to the daily swing chart. However, momentum shifted to the downside with the formation and subsequent confirmation of yesterday's closing price reversal top. If the current downside momentum continues then look for a minimum break into the 50% level at \$67.65 over the short-run. Look for a technical bounce on the first test of this level. The market is following through to the downside, confirming yesterday's potentially bearish closing price reversal top. This could lead to the start of a 2 to 3 day correction. The main trend is up according to the daily swing chart. However, momentum shifted to the downside with the formation and subsequent confirmation of yesterday's closing price reversal top. The main range is \$63.89 to \$71.40. Its retracement zone at \$67.65 to \$66.76 is the primary downside target.

Pivot:	67.75		
Support	67.50	67.00	66.50
Resistance	68.40	69.00	69.50

Source: FX EMPIRE

Highlights

- Oil prices fell today after data from the EIA showed inventories of U.S crude fell by 4.302 million barrels for the week ended Aug. 31
- Production was unchanged at 11.0 million bpd for the second-straight week
- Oil inventory data released last night showed a larger-than-expected draw in crude inventories
- U.S gasoline inventories are now above the top of the 5-year range
- The large draw in crude supplies comes despite a modest climb in imports by about 0.500 million barrels per day

Crude - Technical Indicators

RSI 14	50.07
SMA 20	68.81
SMA 50	68.78
SMA 100	68.68
SMA 200	68.67

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices held steady stable today, as the market balanced a fall in U.S crude inventories to the lowest levels since 2015, with Sino-American trade tensions and economic weakness from emerging markets.
- U.S West Texas Intermediate crude futures were at \$67.78 per barrel, up just 1 cent from their last settlement. International Brent crude futures dipped 8 cents to \$76.42 a barrel.
- U.S commercial crude oil inventories fell by 4.3 million barrels to 401.49 million barrels in the week to Aug. 31, the lowest since February 2015, U.S Energy Information Administration (EIA) data showed yesterday.
- Despite that, prices were curbed by a rise in refined product stocks and a relatively weak U.S peak fuel consumption season this summer, known as the driving season.
- Ongoing emerging market weakness as well as potential new U.S import tariffs on Chinese goods were also weighing on oil market sentiment. Emerging markets, which tend to have a higher energy intensity of GDP, are an obvious concern.
- Asian shares slipped to a 14-month trough today as investors feared a new round of Sino-U.S tariffs, while currencies from Indonesia to India also remained under pressure.
- On the supply side, U.S crude oil production last week remained at a record 11 million barrels per day (bpd), a level it has largely been at since July. After rising by almost a third in the last two years, U.S production growth will now significantly decelerate until 4Q19.

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 continue to be very noisy but did get a bit of a boost during trading yesterday, as it has seen reports coming out that the Germans and the British may both be softening their stance a bit when it comes to the Brexit. If that's the case, then expect the EUR/USD and the GBP/USD pairs to continue to rally, which of course puts downward pressure on the greenback overall, and therefore upward pressure on precious metals. However, a lot of concern with silver, especially near the \$14.50 level, an area that is going to be drastically resistive. It's selling signs of exhaustion near that level will continue to probably be the easiest trade to take, thereby allowing the market to breathe a bit, and giving you an opportunity to jump on what has been a strong trend.

Pivot:	14.11		
Support	13.98	13.90	13.80
Resistance	14.23	14.30	14.37

Source: FX EMPIRE

Highlights

- Spot silver lost percent at \$14.14 per ounce. The metal hit an over 2-1/2-year low at \$13.97 early this week
- The gold-silver ratio has expanded to 84.75, while silver has fallen to two-year lows
- December Comex silver was last up \$0.035 at \$14.215 an ounce
- Silver also reached a low of \$14.00/ounce in late August 2015, and \$13.75/ounce in December 2015-January 2016
- The silver price plunge to an intraday low of \$13.94/ounce

Silver - Technical Indicators

RSI 14	61.97
SMA 20	14.19
SMA 50	14.19
SMA 100	14.20
SMA 200	14.21

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver futures barely edged up in Asian trade away from January 2016 lows, as the dollar index backed off August 21 highs for yet another session, ahead of high-profile US employment and services data later today.
- Silver, which has been hit the hardest out of the two precious metals due to its other use as an industrial material, has actually shown some bullish price action over the past couple of days, holding its own above the key long-term support level at \$14.00.
- However, it is too early to get too excited about the prospects of a major recovery. After all, none of the key resistance levels have been tested yet, let alone broken. Short-term resistance is seen around \$14.40.
- Silver futures due in December shed 0.07% to \$14.21 an ounce, while the dollar index slipped 0.15% to 95.04 against an array of main currencies. Commodities priced in dollars often trade inversely with the currency, as moves in the U.S. unit can influence the attractiveness of those commodities to holders of other currencies.
- Investors are anxiously waiting for the next development in the US-China trade dispute, with the public comment period wrapping up for US proposals to impose new 25% tariffs on \$200 billion worth of Chinese imports.
- It's worth mentioning that US-China trade talks conducted last month failed to stop new 25% US tariffs on \$16 billion worth of Chinese imports, with Chinese retaliating with similar measures, escalating a long-standing trade dispute between the world's two largest economies.
- Earlier US data showed the private sector added 163 thousand jobs in August, slowing down from 217K in July, and missing estimates of 195K. The ISM Services PMI rose to 58.5 in August from 55.7, beating estimates of 56.8.

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

Friday, Sep 07, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Aug 07	13:30	GBP BoE/TNS Inflation Next 12 Mths (AUG)	High			2.9%
Fri Aug 07	14:00	EUR Euro-Zone Government Expenditure (QoQ) (2Q)	Medium		0.4%	0.0%
Fri Aug 07	14:00	EUR Euro-Zone Gross Domestic Product s.a. (YoY) (2Q F)	Medium		2.2%	2.2%
Fri Aug 07	17:30	CAD Unemployment Rate (AUG)	High		5.9%	5.8%
Fri Aug 07	17:30	CAD Net Change in Employment (AUG)	High		5.0k	54.1k
Fri Aug 07	17:30	USD Change in Non-Farm Payrolls (AUG)	High		195k	157k
Fri Aug 07	17:30	USD Unemployment Rate (AUG)	High		3.8%	3.9%
Fri Aug 07	18:00	MXN Consumer Price Index (YoY) (AUG)	High		4.85%	4.81%
Fri Aug 07	22:00	USD Baker Hughes U.S. Rig Count (SEP 7)	Medium		\$3115.00b	

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