

## Gold

### Technical

Gold markets when sideways yesterday, which is something that is not overly surprising, considering that it had rallied so strongly during the previous week. Economists think that the \$1250 level above is massive resistance, so it can break above there. If it do approach that level, it would take another catalyst to continue going higher. Pullbacks at this point should continue to find buyers underneath, and the \$1220 level is an excellent area to look for support. If the US dollar starts to skyrocket in value again, that could drive down the value of gold, unless it is a bit of a safety trade, then it could see Gold markets rally right along with the US dollar, something that does happen occasionally. This market is that it has gone sideways overall after a massive rally, and that is a good sign as it looks likely to make investors much more comfortable at these higher levels instead of the usual pullback.

Pivot:	1,180		
Support	1,180	1,160	1,125
Resistance	1,310	1,280	1,240

Source: FX EMPIRE

### Highlights

- Gold held steady near 2-1/2-month highs yesterday as dollar weakness offset improved risk appetite among investors
- Gold is being supported by a relatively softer dollar
- The U.S dollar index dropped to more than two-week lows
- Rising geopolitical tensions and pessimism over the prospect of global economic growth is supporting the price of gold
- Gold was up 2.8% so far for October, trimming its year-to-date drop to close to 6.1%

### Gold - Technical Indicators

RSI 14	45.44
SMA 20	1,267.2
SMA 50	1,252.1
SMA 100	1,256.3
SMA 200	1,277.8

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices held steady today despite a rise in equities, with investors waiting for minutes from the U.S Federal Reserve's latest policy meeting for any fresh clues on the pace of interest rate hikes.
- Spot gold was up 0.1 percent at \$1,224.70 an ounce. On Monday, it touched its highest since July 26 at \$1,233.26 an ounce. U.S gold futures were down 0.2 percent at \$1,228.30 an ounce.
- Asian equities got some much needed relief on Wednesday after upbeat U.S earnings reports drove a rebound on Wall Street and helped restore a little confidence in emerging market stocks and currencies.
- The dollar index against a basket of currencies held steady today, after hitting a two-week low in the previous session. U.S industrial production increased for a fourth straight month in September, boosted by gains in manufacturing and mining output, but momentum slowed sharply in the third quarter.
- Emerging market currencies outperformed, and rising stock markets reflected improving risk appetite. On the technical front, gold prices were trading around the 100-day moving average of \$1,227.
- The near-term technical posture for the yellow metal has dramatically improved over the past few sessions, which continues to invite the chart-based buyers. Also, the recent volatility in world stock markets and some heightened geopolitical tensions are continuing to provide some demand for safe-haven gold.
- Recent dollar weakness has defied the stronger trend that has persisted in the buck in the year so far, a rise fueled by monetary policy tightening at the Federal Reserve.

### 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 rallied after initially falling yesterday, as it continues to see \$71 offer a bit of support. However, the \$72 level, and the area just above it, continues to be very resistant. The market continues to be very noisy and difficult, but eventually it will probably break out to the upside as it worries about supply issues and the Iranian sanctions that could cause them. At this point, a move above the \$73 level is needed for confidence, then buyers would come in and push the market to the \$75 handle. However, if it pulls back and broke below the \$71 level, it would probably find support at the \$70 level. Brent markets found support at the \$80 level, reaching towards the \$81 level after initially falling from there during the trading session yesterday. At this point, the \$82 level would be the target, but there is so much in the way of noise that is difficult to hang onto a trade.

Pivot:	70.00		
Support	70.00	66.80	64.40
Resistance	83.50	81.75	76.90

Source: FX EMPIRE

### Highlights

- Oil prices edged up in cautious trade yesterday as expectations of higher U.S. shale output
- Stockpiles fell 2.1 million barrels last week, versus forecasts for a 2.2 million-barrel build
- The cuts are coming despite third-quarter oil prices that are up more than 40 percent from a year earlier
- The focus within the oil trade during the next couple of weeks is likely to be on Iran and Saudi Arabia
- Last week, oil prices slumped as global stock markets fell

### Crude - Technical Indicators

RSI 14	55.83
SMA 20	48.93
SMA 50	46.53
SMA 100	47.26
SMA 200	51.85

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices extended gains into a fourth session today, buoyed as industry data showed a surprise decline in U.S. crude inventories and as geopolitical tensions over the disappearance of a prominent Saudi journalist stoked supply worries.
- U.S. West Texas Intermediate crude was up 15 cents, or 0.2 percent, at \$72.07 a barrel today, having settled up 14 cents. Brent crude was up 12 cents, or 0.2 percent, at \$81.53 a barrel, after settling up 63 cents the session before.
- The global benchmark, which hit a more than two-week low late last week as equity markets dropped, is trading around \$5 below a four-year high of \$86.74 marked on Oct. 3.
- U.S. crude inventories fell by 2.1 million barrels last week, compared with analyst expectations for a build of 2.2 million barrels, American Petroleum Institute data showed after yesterday's settlement.
- U.S. gasoline stocks dropped by a larger-than-expected 3.4 million barrels, while distillate fuel stockpiles declined by a smaller-than-expected 246,000 barrels, the API data showed.
- Meanwhile, OPEC Secretary-General Mohammad Barkindo yesterday urged oil producing companies to increase capacities and invest more to meet future demand as spare oil capacity shrinks worldwide.
- The market has been supported by reports that Iranian crude exports may be falling faster than expected ahead of Nov. 4, the date U.S. sanctions on the commodity are due to start.

### 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 initially tried to rally yesterday but ran into a lot of resistance at the \$14.90 level. It ended up forming a couple of shooting stars on the hourly chart, so a pullback is very likely. Some type of supportive bounce could make a nice trade, because it makes sense that it would struggle at these high levels. If it were to break above the \$15 level, then the market could continue to go much higher. Silver markets tend to move every \$0.10, in a back-and-forth manner as it is a highly technical situation and of market. At this point, it suspect that silver needs to cool off a bit before it can build up enough momentum to finally break that crucial \$15 level. If it were to break down below the \$14.50 level, that could send this market much lower. Overall though, the silver is also getting a boost from the safety trade as there are so many different problems around the world.

Pivot:	14.20		
Support	14.20	13.90	13.55
Resistance	16.20	15.65	15.10

Source: FX EMPIRE

### Highlights

- Silver was down 0.1 percent at \$14.64 an ounce, having touched its highest since Oct. 2 at \$14.85 earlier in the session
- China's consumer price index hit a seven-month high in September at up 0.7% from August and up 2.5%, year-on-year
- The dollar index inched down 0.03% to 95.03 away from August 20 highs
- Silver futures due in December fell 0.18% to \$14.70 an ounce away from two-week highs
- December Comex silver was last up \$0.063 at \$14.79 an ounce

### 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

- The metals continue to hold their ground at higher levels as silver managed to hold \$14.65. All signs point to higher prices, with metals approaching key decision points once again.
- The numbers to watch are \$1,240 for gold and \$14.80 for silver. A break above will be considered another breakout and more than likely lead to a continuation of this rally while building strength underneath the market.
- The US and world markets were rattled last Thursday and Friday where all major indexes in the US had the biggest sell-off episode in the past 10 years. This calls for both gold and silver addressing serious opposition in the near future.
- The near-term technical posture for the white metal has dramatically improved the past few sessions, which continues to invite the chart-based buyers. Also, the recent volatility in world stock markets and some heightened geopolitical tensions are continuing to provide some demand for safe-haven silver.
- Earlier US data showed industrial output rose 0.3% in September, slowing down from 0.4%, while the Capacity Utilization Rate stood at 78.1%, same as before and below estimates of 78.2%.
- Earlier Chinese data showed consumer prices rose 2.5% as expected, the fastest such pace in seven months. Producer prices rose 3.6 y/y, the slowest such pace in five months, and missing estimates of 3.7%. Last week, the People's Bank of China cut reserve requirements for Chinese banks for the fourth time this year amid attempts to ease policies and bolster spending.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2018	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Wednesday, October 17, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Oct 17	13:30	GBP Consumer Price Index (YoY) (SEP)	High	2.4%	2.6%	2.7%
Wed Oct 17	13:30	GBP Core Consumer Price Index (YoY) (SEP)	High	1.9%	2.0%	2.1%
Wed Oct 17	13:30	GBP House Price Index (YoY) (AUG)	Medium	3.2%	2.8%	3.4%
Wed Oct 17	14:00	EUR Euro-Zone Consumer Price Index Core (YoY) (SEP F)	Medium	0.9%	0.9%	0.9%
Wed Oct 17	17:30	USD Housing Starts (MoM) (SEP)	Medium		-5.6%	9.2%
Wed Oct 17	17:30	USD Building Permits (MoM) (SEP)	Medium		2.1%	-5.7%
Wed Oct 17	19:30	USD DOE U.S. Crude Oil Inventories (OCT 12)	Medium			5987k
Wed Oct 17	19:30	USD DOE Cushing OK Crude Inventory (OCT 12)	Low			2359k
Wed Oct 17	19:30	USD DOE U.S. Gasoline Inventories (OCT 12)	Low			951k

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

G-009, Ground Floor, Packages Mall,  
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