

Gold

Technical

Gold markets broke higher during the trading session yesterday, clearing the \$1325 level, sending the market towards the \$1350 level. Support below that level is seen near the 5-day moving average at 1,321 and the 20-day moving average at 1,310. At this point, there is a lot of noise extending to the \$1350 level. US data over the last week was weaker than expected, which likely reduced GDP during the Q1 of 2019. If it break above the \$1350 level, then the market could go to the \$1375 level, and then possibly even the \$1400 level above. The \$1275 level should be “bottom” of the market in general, so if it break down below that level, the entire uptrend would be over. Target resistance is seen near the 2018 highs near 1,365. Medium term momentum has turned positive.

Pivot:	1,339		
Support	1,339	1,335	1,328
Resistance	1,354	1,350	1,347

Source: FX EMPIRE

Highlights

- Gold prices hit their highest since April 19, 2018 as the dollar was capped on falling U.S Treasury yields
- The dollar index fell 0.41 percent, with the euro up 0.28 percent to \$1.134
- Higher interest rates tend to weigh on non-yielding gold
- The dollar should come under pressure as it loses some safe-haven appeal
- Gold prices have gained 3.3 percent so far this year on expectations the Fed will pause its cycle of interest rate hikes

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 at 10-month highs today, supported by global slowdown concerns and a weaker dollar, with markets eyeing the release of the U.S Federal Reserve’s policy meeting minutes later in the session.
- Spot gold was little changed at \$1,326.48 per ounce. The metal had touched \$1,327.64 an ounce in the previous session, its highest since April 25. U.S gold futures dipped 0.2 percent to \$1,342.6 an ounce.
- Meanwhile, the dollar backed away from a two-month high hit last week on increasing optimism for a breakthrough in the trade talks, bolstering appeal for gold.
- The metal posted its highest close since April 19 following its biggest one-day increase since Nov. 1 and has added 4.8% this year, supported by investors seeking safer assets and signs that central banks around the world will be cautious with interest rates moving forward.
- Some investors buy gold when they anticipate turbulence in risk assets and slowing global growth, and the metal also becomes more attractive relative to yield-bearing assets like Treasuries when rate expectations moderate.
- Gold prices surged to a near 10-month high driven by concerns over slowing global growth as dovish signals from Japan and Europe’s central banks followed weak data from the United States and China.
- However markets still don’t see noticeable results despite the positive remarks, spreading doubts. If there is progress in trade talks there will be increasing appetite for emerging-market currencies, and the U.S dollar will weaken.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2018	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2019	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2019	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2019	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2019	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market tried to break out and showed signs of strength. Overall, if it is ready to go higher longer term, as the Saudis are looking to cut back on production. Despite the developing uncertainty, prices remain underpinned by the OPEC-led production cuts that have put a small dent in global supplies. The market continue to grind higher as the \$55 level had been so resistive recently. At this point, if it can stay above \$55, it should go higher and perhaps reach towards the \$60 handle. Brent markets have ran into a bit of a brick wall of resistance. If it can break above the highs, then it will eventually go looking towards the \$70 level next. The crude oil markets overall look bullish but a little bit overextended at this point. Short-term pullbacks looks as an opportunity to pick up a little bit of value here and there. The primary upside target is the long-term 50% level at \$59.51.

Pivot:	56.10		
Support	56.10	55.65	55.40
Resistance	57.80	57.40	57.00

Source: FX EMPIRE

Highlights

- Oil prices maintained losses on profit-taking amid concerns of weak demand this year
- If the US dollar falls it can typically give a bit of a lift to crude oil markets
- Oil price driver has been U.S sanctions on oil exporters Iran and Venezuela
- Biggest oil exporter Saudi Arabia is expected to reduce shipments of light crude oil to Asia in March as part of the effort to tighten markets
- Oil marked a 6.5% profit last week, the second weekly profit in three, and the largest since June 2018

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 slipped away from 2019 highs today, with surging U.S supply and slowing economic growth tempering upward pressure from supply cuts led by producer club OPEC and from Washington's sanctions on Iran and Venezuela.
- U.S West Texas Intermediate crude oil futures hit 2019 highs of \$56.39 per barrel today but had slipped back to \$56.15 per barrel, which was slightly above their last settlement.
- International Brent crude futures were at \$66.33 per barrel, down 12 cents, or 0.2 percent, from their last close, though still not far off their 2019 high of \$66.83 per barrel from Monday.
- Oil prices have been supported by supply cuts led by the OPEC. OPEC-member and top crude exporter Saudi Arabia is expected to reduce shipments of light crude oil to Asia in March as part of the effort to tighten markets.
- OPEC as well as some non-affiliated producers such as Russia agreed late last year to cut output by 1.2 million barrels per day to prevent a large supply overhang from swelling.
- Iran's crude exports were higher than expected in January, averaging around 1.25 million bpd. It is expected that Iran oil exports to drop below 1 million bpd after the imposition of U.S sanctions last November.
- U.S oil production growth, driven by shale, will be increasingly exported in greater volumes to international markets while the global economy is expected to witness a synchronized slowdown in 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	
12/27/2018	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2019	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2019	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2019	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2019	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets rallied significantly, as it start to make a move towards the \$16.00 level. At this point, short-term pullbacks will be nice buying opportunities, as the US dollar is starting to soften. So far, it has made a “higher lows”, meaning that it is looking very likely to continue to grind to the upside. Silver markets of course do tend to lag gold, which has broken out. At this point, the market looks very likely to continue going higher, as gold is reaching towards the crucial \$1350 level. Short-term pullbacks will continue to be buying opportunities in both markets, as the Federal Reserve softening its stance on monetary policy is going to continue to drive precious metals higher, and of course the geopolitical issues will probably drive the precious metals higher as well, people looking for a bit of safety. Ultimately, the uptrend line and the \$15.50 level both offer massive support.

Pivot:	15.94		
Support	15.94	15.84	15.72
Resistance	16.24	16.18	16.11

Source: FX EMPIRE

Highlights

- Silver prices gained 0.8 percent to \$15.92 an ounce
- Interest rates have bottomed, and this will be one of the reasons why silver will now be set apart from commodities
- The market can continue to reach towards the \$17 an ounce
- The U.S dollar is also likely to work in favor of silver, as the index is looking to peak at 99 or 101.60 and then drop to 80
- Silver futures due in March rose 1.4%, or 22.4 cents to \$15.967 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

- Silver markets continue to show signs of strength overall, reaching towards the \$15.80 level. There is a massive barrier at the \$16 level. Silver futures rose in Asian trade off January 25 lows for the fourth straight session as the dollar index fell off December 17 highs for the fourth straight session, ahead of the Federal Reserve's meeting minutes.
- Silver futures due in March shed 0.11% to \$15.74 off two-week highs, while the dollar index rose 0.11% to 96.91. Now investors await US housing data, with an index tracking the sector expected up to 59 from 58.
- Silver has most important use is as a monetary asset. It is only when used as a monetary asset that it could realize its true value. President Trump said he would be happy to cancel tariffs if a deal is reached with China, adding his administration is nearer that goal than ever.
- The Silver Institute has recently published some bullish insights on 2019 silver market trends. The sentiment to be more supportive for the silver market.
- Investors await the Federal Reserve's meeting minutes for the January 29-30 meeting, at which policymakers voted to hold rates unchanged below 2.50%. The Fed will probably a rate hike as the global economy slows down and weighs on the US.
- Interest rates play a critical part in identifying when the time for silver being restored to a monetary asset could come and over the last couple of years, the bottoming of long-term interest rates has signaled that the time is soon.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2018	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2018	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2018	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2018	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2019	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Wednesday, February 20, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Feb 20	04:30	AUD Westpac Leading Index (MoM) (JAN)	Medium	-0.01%		-0.26%
Wed Feb 20	04:50	JPY Trade Balance (JAN)	Medium	-¥1452.2b	-¥1029.5b	-¥56.7b
Wed Feb 20	05:30	AUD Wage Price Index (YoY) (4Q)	Medium	2.30%	2.30%	2.30%
Wed Feb 20	12:00	EUR German Producer Price Index (MoM) (JAN)	Low	0.4%	-0.10%	-0.40%
Wed Feb 20	16:00	GBP CBI Trends Total Orders (FEB)	Low		-5	-1
Wed Feb 20	16:00	GBP CBI Trends Selling Prices (FEB)	Low		16	18
Wed Feb 20	17:00	USD MBA Mortgage Applications (FEB 15)	Medium			-3.70%
Wed Feb 20	20:00	EUR Euro-Zone Consumer Confidence (FEB A)	Medium		-7.7	-7.9
Wed Feb 20	21:30	USD U.S. to Sell USD18 Bln 2-Year Floating Rate Notes Reopening	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
Inamullah Shakir	(Commodity Trader - Karachi)	Cell: 0341-2110152	Tel: (+92-21) 35297248	inam.ullah@igi.com.pk
Muhammad Naveed	(Branch Manager - Islamabad)	Cell: 0345-5599900	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Irfan Ali	(Regional Manager - Faisalabad)	Cell: 0300-7660778	Tel: (+92-41) 2540843-45	irfan.ali@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) 35777863-70, 38303559-68
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 # 134, 3rd 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