

Gold

Technical

Gold markets fell significantly during the week, reaching down towards the \$1200 level, an area that has been support more than once. By forming a hammer, it looks as if it is ready to turn around and try to rally a bit, perhaps reaching towards the \$1250 level, and maybe even back towards the highs over the longer-term. However, pay attention to the US dollar and what it is doing. If it starts to fall in value, then the gold could turn things around as it offers plenty of value. If it do break down below the \$1200 level, it would not surprise me at all to see this market goes looking towards the \$1120 level, and then perhaps the \$1000 level after that. That is an area where it would buy as much gold as a possibly could, because it should be such a longer-term buying opportunity based upon a break out years ago. It suspect that if there is a time where buyers should return, this is probably it.

Pivot:	1,211		
Support	1,208	1,206	1,204
Resistance	1,215	1,217	1,221

Source: FX EMPIRE

Highlights

- Gold prices held onto the last session's gains early today, extending a rally from a 17-month low
- The metal had also hit its lowest since March 2017 at \$1,204 an ounce in the previous session
- The more expensive dollar is capping the rally in gold prices
- Downside for gold still appears to be possible especially if the dollar continues to rally
- The dollar had also weakened against the yuan on Friday after the Chinese central bank sought to stabilize its currency

Gold - Technical Indicators

RSI 14	45.94
SMA 20	1,219.5
SMA 50	1,218.0
SMA 100	1,218.2
SMA 200	1,218.3

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices inched higher today, extending their recovery from a 17-month low, amid lingering worries over the US-China trade conflict, while a stronger US dollar capped the safe haven's gains.
- Spot gold was up 0.2 per cent at \$1,215.71 an ounce, building on its 0.5 per cent gain on Friday. Spot gold may retest a support at \$1,206 per ounce, a break below which could cause a loss to the next support at \$1,194. US gold futures were little changed at \$1,223.7 an ounce.
- Gold is still very much being influenced by how the dollar is moving. The uptick in gold prices is from the market pricing in how the US-China trade war issues actually play out.
- Gold prices rebounded on Friday from a 17-month low of \$1,204 per ounce as dollar slipped after data showed US job growth slowed in July. Hedge funds and money managers added a hefty 13,931 contracts to their net short position, bringing it to 41,087 contracts, the biggest since records became publicly available in 2006.
- The dollar also weakened against the yuan on Friday after the Chinese central bank sought to stabilize its currency. The greenback, however, regained footing today and strengthened against major peers.
- China proposed retaliatory tariffs on \$60 billion worth of US goods on Friday, further escalating a bitter trade conflict, after the Trump administration sought to ratchet up pressure for trade concessions by proposing a higher 25-per cent tariff on \$200 billion worth of Chinese imports.
- While the intensifying trade spat has been one of the reason gold prices have been supported above the \$1,200 handle, the trade issues have also been playing off into a more expensive dollar rather than higher gold prices.

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 WTI Crude Oil market went back and forth during the week, trying to break above the \$70 handle but failing. We also found plenty of support near the \$67 level, so it's likely that it will continue to see volatility. It's going to be difficult to trade this market from the longer-term, as it is essentially stuck in a range between the \$67 level and the bottom and the \$70 level on the top. If it can break above \$71, then the market probably goes to the \$74 level above. If it break down below the uptrend line underneath, then the market should break down significantly. Brent markets were a little bit more negative than the WTI market, as it has touched the uptrend line. The \$72 level offering support, making a nice opportunity for buying if it can stay above there on a pullback. However, if we can break above the \$76 level, that's also a buying opportunity as it should then go looking towards \$79.

Pivot:	68.75		
Support	68.25	67.85	67.40
Resistance	69.28	69.65	69.90

Source: FX EMPIRE

Highlights

- Crude futures pulled back, giving up gains from the previous session as investors concerns weighed on the market
- Hedge funds and other money managers cut their bullish U.S crude bets in the latest week
- Russian oil output rose by 150,000 barrels per day (bpd) in July from a month earlier to 11.21 million bpd
- Output by top exporter Saudi Arabia has also risen recently, to around 11 million bpd
- U.S drillers cut rigs for the second week in three, reducing the number of oil rigs by two to 859

Crude - Technical Indicators

RSI 14	46.01
SMA 20	67.75
SMA 50	67.75
SMA 100	67.83
SMA 200	67.75

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil rose today after Saudi crude production registered an unexpected decline in July and U.S drilling appeared to slow, although the price is still almost 10 percent below its 2018 high of more than \$80 a barrel.
- Markets also anticipated an announcement from Washington on renewed U.S sanctions against major oil exporter Iran. So-called "snapback" sanctions are due to be reinstated, according to a U.S Treasury official.
- Saudi Arabia pumped around 10.29 million barrels per day (bpd) of crude in July, two OPEC sources said on Friday, down about 200,000 bpd from a month earlier.
- That drop came despite a pledge by the Saudis and top producer Russia in June to raise output from July, with Saudi Arabia pledging a "measurable" supply boost.
- Brent crude oil futures were up 31 cents on the day at \$73.52 a barrel, while U.S futures rose 35 cents to \$68.84 barrel. Saudi Arabia last week cut its official selling prices for Asian customers to a four-month low.
- Saudi Arabia knows that the U.S really does want to see maximum impact from sanctions towards Iran, which means that they want to prepare all buyers of Iranian crude to say 'there is plenty of oil in the market and don't be afraid to pull back on Iran purchases.
- This is not about bombarding the market with oil and pushing the price into the \$50's, it is about preparing the market and easing the transition. Most Iranian crude exports go to China and India, but roughly 20 percent go to Europe, where refiners have already cut their purchases.

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 were very noisy during the trading week, breaking down below the \$15.50 level at one point. It turned around to form a bit of a hammer, and for the third week in a row it has seen buyers underneath willing to pick this market up. Economists think that this market certainly has plenty of support underneath, and therefore a buyer from the longer-term perspective. However, it also recognize that it's difficult to be a buyer of this market with a lot of leverage. Because of this, it's only a matter time before the value hunters return on these dips, and they are building larger positions, perhaps reaching towards the \$16.50 level. If it can break above there, the next target of course is the \$17.50 level, which is massive resistance. if it can get above that level, the market could be looking at \$18.50.

Pivot:	15.36		
Support	15.32	15.25	15.21
Resistance	15.44	15.48	15.55

Source: FX EMPIRE

Highlights

- Silver rose 0.5 per cent to \$15.45 an ounce after posting an eighth weekly decline last week
- Expectations for higher rates tend to be bearish for silver
- A stronger U.S currency makes silver and other dollar-denominated commodities more expensive for foreign investors
- Investors have also shunned the precious metal despite an escalation in global trade tensions, indicating that silver may be losing its safe haven status
- U.S interest rate hikes this year underpin demand for the greenback

Silver - Technical Indicators

RSI 14	46.94
SMA 20	15.44
SMA 50	15.41
SMA 100	15.41
SMA 200	15.41

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices traded flat in Asia within striking distance of July 19 lows, while the dollar index eked out gains for the fourth session out of five, amid a lack of data from the US today. Business activity in the euro zone lost some momentum at the start of the third quarter.
- Silver futures due in September rose 0.02% to \$15.46 an ounce, while the dollar index added 0.15% to 95.30 from the opening of 95.16. U.S job growth slowed more than expected in July as employment in the transportation and utilities sectors fell, but a drop in the unemployment rate suggested that labor market conditions continued to tighten.
- Last Friday saw the release of the US payrolls report, which showed the unemployment rate fell to 3.9% as expected from 4.0% in June, while average hourly earnings rose 0.3% as expected, up from 0.1% in June.
- The economy added 157 thousand jobs last month, down from 248 thousand in June, and missing estimates of 191K, as the trade deficit rose to \$46.3 billion from \$43.2 billion in May, below estimates of \$46.5 billion.
- The US ISM services PMI fell to 55.7 in July from 59.1 in June, missing estimates of 58.6, while the trade deficit widened to \$46.3 billion in June from \$43.2 billion in May, below estimates of \$46.5 billion.
- The mostly disappointing US data released last week blunted some of the momentum behind two Federal Reserve rate hikes this year, with bets leaning towards just one hike in September.
- Last week, the Federal Open Market Committee voted to hold overnight interest rates unchanged at 1.75% to 2.0% as expected by analysts, while laying the groundwork for further policy tightening and normalization of the balance sheet in the months to come.

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

Monday, Aug 06, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Aug 06	06:00	AUD TD Securities Inflation (YoY) (JUL)	Medium	2.0%		2.0%
Mon Aug 06	06:00	NZD ANZ Commodity Price (JUL)	Low	-3.2%		-1.0%
Mon Aug 06	06:30	AUD ANZ Job Advertisements (MoM) (JUL)	Low	1.5%		-1.7%
Mon Aug 06	11:00	EUR German Factory Orders n.s.a. (YoY) (JUN)	Medium	-0.8%	3.4%	4.4%
Mon Aug 06	12:30	EUR Markit Germany Construction PMI (JUL)	Medium	50		53
Mon Aug 06	13:00	GBP New Car Registrations (YoY) (JUL)	Low	1.2%		-3.5%
Mon Aug 06	13:00	CHF Total Sight Deposits CHF (AUG 3)	Low	575.9b		576.4b
Mon Aug 06	13:30	EUR Euro-Zone Sentix Investor Confidence (AUG)	Low	14.7	13.5	12.1
Mon Aug 06	20:30	USD U.S. to Sell 3-Month Bills	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
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