

Gold

Technical

Gold could be helped if the Euro can turn around. The single-currency is weighted at about 57% of the Dollar Index. A steep recovery by the Euro could reverse the dollar lower. This would likely trigger a short-covering rally in gold. However, sellers would likely prevent gold from changing its trend to up. Short-sellers continue to dominate the gold market early today, driving the precious metal to its lowest level in 17 months, while putting it in a position to challenge the January 3, 2017 daily chart bottom at \$1184.00. The catalyst behind the selling pressure is the stronger U.S Dollar, which is weakening foreign demand for the dollar-denominated asset. The dollar is being boosted by a drop in demand for higher risk currencies like the Australian and New Zealand Dollars as well as a plunge in the Euro, which is falling on concerns over European banks' exposure to Turkey.

Pivot:	1,187		
Support	1,184	1,181	1,178
Resistance	1,193	1,196	1,202

Source: FX EMPIRE

Highlights

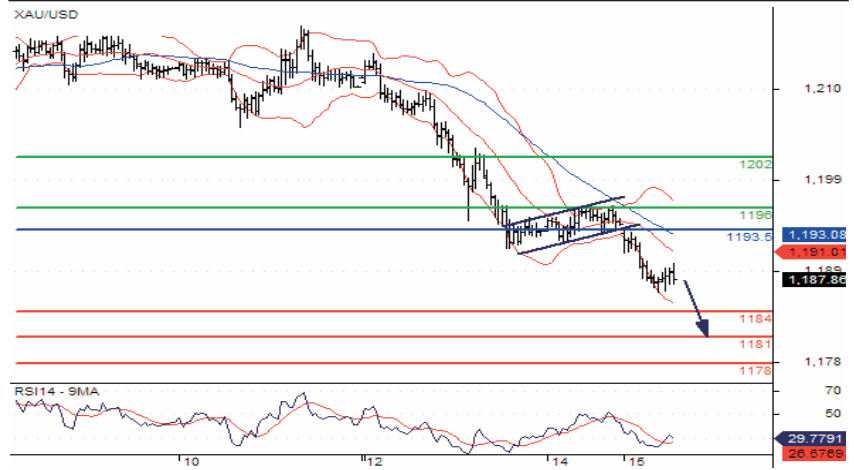
- Gold prices fell below the \$1,200 mark today as the demand for U.S dollar went up amidst the Turkish lira contagion crisis
- The U.S dollar index, tracks the greenback against a basket of other currencies, rose by 0.18% to 96.72, just below a 13-month peak of 96.794
- Gold prices usually fell down as the U.S dollar rises
- Gold prices recovered from an 18-month low yesterday, as the U.S dollar softened
- Some stop-loss selling pushed the market lower below \$1,200

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 slipped to their lowest since January 2017 early today, pressured as the U.S dollar clung to its highest in 13 months. Investors traditionally use gold as a means to preserve the value of their assets during times of political and economic uncertainty.
- Spot gold was down 0.1 percent at \$1,192.11 an ounce, after hitting its lowest since late January 2017 at \$1,190.77. U.S gold futures were down 0.1 percent at \$1,199.1 an ounce. Concerns about Turkey's financial crisis pushed the greenback to its highest level since June last year.
- Asian stocks sagged today, failing to track Wall Street's gains and with the dollar near a 13-month peak as concerns about Turkey's financial crisis weighed on investor appetite, despite the lira's move away from an all-time low.
- U.S import prices were unchanged in July as a surge in the cost of fuels was offset by weak prices elsewhere, suggesting that a strong dollar was keeping imported inflation in check.
- However, the gold market is still under pressure as the U.S dollar is still very strong. Also, interest rates are poised to go higher and market sentiments are bearish on gold.
- After yesterday's directionless trading action, the precious metal came under some renewed selling pressure today and continues to be weighed down by the recent US Dollar upsurge.
- Meanwhile, the latest leg of downfall since the beginning of this week could also be attributed to some technical selling, especially after bears managed to decisively break through the key \$1200 psychological mark.

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

Based on the early price action, the direction of the October WTI crude oil market today is likely to be determined by trader reaction to the main Fibonacci level at \$65.92. The news about lower demand is offsetting worries about the impact of the Iranian sanctions at this time. Additionally, investors are also watching the U.S supply. Therefore, U.S Energy Information report, due to be released is likely to set the tone for the day. Investors are looking for a 2.6 million barrel draw down. The catalyst behind the selling pressure is private report showing increased U.S crude inventories and growing concerns that a global economic slowdown will lead to a drop in demand. The main trend is down according to the daily swing chart. A trade through \$65.09 will signal a resumption of the downtrend. A move through \$68.86 will change the main trend to up.

Pivot:	66.63		
Support	66.10	65.70	65.00
Resistance	67.50	67.95	68.35

Source: FX EMPIRE

Highlights

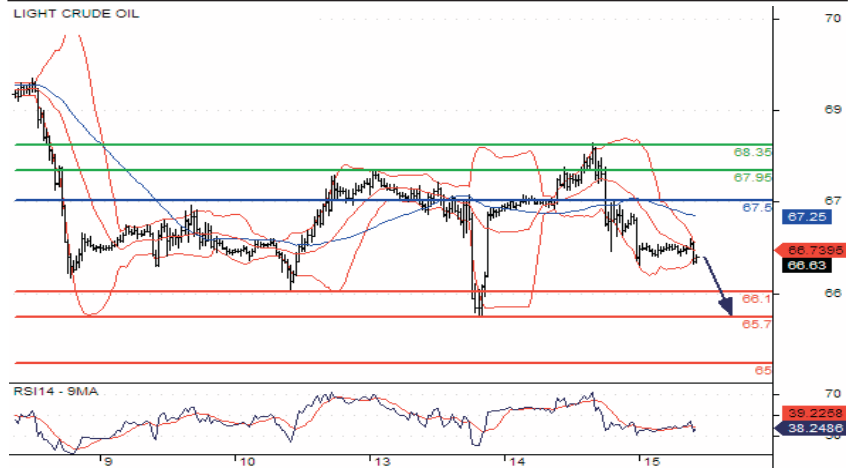
- Oil prices fell after data from API showed increased U.S crude inventories in the week to Aug 10
- Trade tensions between the U.S and China has been cited as headwind for global energy demand
- U.S crude inventories unexpectedly rose by 3.7 million barrels in the week to Aug. 10, to 410.8 million barrels
- OPEC agreed in June to raise output at a nominal increase of 1 million barrels a day (bpd) in an effort to stabilize oil prices
- The overall build of 3.66 million really did catch the market by surprise

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 prices fell today, weighed down by a gloomier global economic outlook and a report of rising U.S crude inventories, even as U.S sanctions on Tehran threatened to curb Iranian crude oil supplies.
- Global benchmark Brent crude oil was down 50 cents a barrel at \$71.96. U.S light crude was 55 cents lower at \$66.49. Sentiment is sandwiched between a darkening global economic outlook and looming Iranian supply shortages.
- U.S crude stocks rose by 3.7 million barrels in the week to Aug. 10, to 410.8 million barrels, private industry group the American Petroleum Institute (API) said yesterday. Crude stocks at the Cushing, Oklahoma, delivery hub rose by 1.6 million barrels, the API said.
- Investors are concerned by the health of the world economy at a time of escalating trade disputes between the United States and its major trading partners.
- The United States and China have been locked in a tit-for-tat trade spat for a few months, gradually adding tariffs to each others' products in a dispute that threatens to curb economic activity in both countries.
- World trade volume growth also peaked in January at almost 5.7 percent year-on-year, but nearly halved to less than 3 percent by May. Chinese oil importers now appear to be shying away from buying U.S crude oil as they fear Beijing may decide to add the commodity to its tariff list.
- Oil markets would struggle for direction, as uncertainty around both the impact on supply from the Iranian sanctions and escalating trade tensions between the U.S and China persists.

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 right now are basically a function of risk tolerance. US dollar rallies significantly, it continue to see Silver markets taken on the chin. It is currently hovering right around the \$15 level, an area that has been historically important. It anticipate that if it do break down below here, sore between here and \$14, large money will come back into support the market. However, with the US dollar strengthening the way it has over the last several days, especially against the Turkish lira, that continues to put downward pressure on precious metals. The downward pressure has been relentless, and there's no sign of it ending in the short term. However, if a longer-term value-based investor, it is looking to buy silver at these low levels, with little to no leverage.

Pivot:	14.92		
Support	14.78	14.70	14.60
Resistance	15.03	15.10	15.15

Source: FX EMPIRE

Highlights

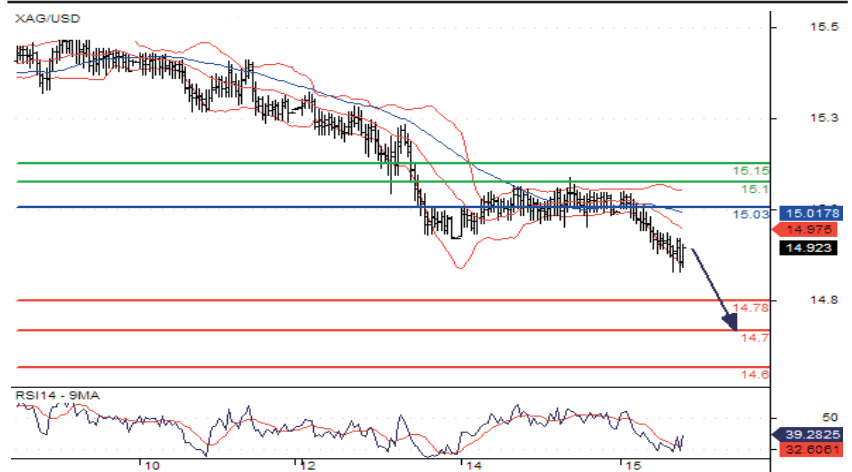
- Silver futures rose for the first time in three sessions off April 6, 2016 lows, as the dollar index scaled June 27, 2017 highs
- Silver investors have been frustrated their safe-haven metal have not benefitted
- The U.S dollar index slightly lower on a downside correction from recent solid gains that pushed the index to a 13-month high
- September Comex silver was last up \$0.068 at \$15.05 an ounce
- Industrial production rose 6.0% y/y with no change, missing estimates of 6.3%

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 futures tumbled nearly one percent in Asian trade to April 16, 2016 lows, as the dollar index scaled June 27, 2017 highs, ahead of important retail sales and industrial data from the US today.
- Silver futures due in September dropped 0.75% to \$14.94 an ounce, marking 28-month lows. The dollar index inched up 0.11% to 95.85 versus an array of main currencies, marking nearly 14-month highs. The currency markets have stabilized a bit today, following Monday's and recent price action that have seen the world's secondary currencies seriously depreciate against the U.S dollar.
- Markets await US retail sales data, expected to have increased 0.1% in July, slowing down from 0.5% in June, while core sales are estimated with a 0.3% increase.
- The Empire State Manufacturing Index is expected to slip to 20.1 from 22.6 in July, while labor unit costs are estimated with a 0.1% slip, compared to a 2.9% increase in the first quarter.
- US industrial production is expected to have grown 0.3% in July, down from 0.6% in June, while wholesale inventories are estimated with a 0.2% increase, adding to a 0.4% increase in May.
- The dollar index has strengthened recently against major currencies, marking the third weekly profit in a row and weighing on dollar-denominated commodity futures, on prospects of two more Federal Reserve rate hikes this year.
- The patterns in silver continue to show no buyers, and the lack of interest in the metals is reaching epic proportions. Every rally attempt has been met by a battering ram as sellers relentlessly sell, as witnessed by Monday's beat-down. It almost feels like there is no hope.

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

Wednesday, Aug 15, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Aug 15	13:30	GBP Consumer Price Index (YoY) (JUL)	High	2.5%	2.5%	2.4%
Wed Aug 15	13:30	GBP House Price Index (YoY) (JUN)	Medium	3.0%	2.6%	3.5%
Wed Aug 15	17:30	USD Retail Sales Advance (MoM) (JUL)	High		0.1%	0.5%
Wed Aug 15	17:30	USD Retail Sales Ex Auto and Gas (JUL)	Medium		0.4%	0.3%
Wed Aug 15	18:00	CAD Existing Home Sales (MoM) (JUL)	Medium			4.1%
Wed Aug 15	18:15	USD Industrial Production (MoM) (JUL)	Medium		0.3%	0.6%
Wed Aug 15	18:15	USD Manufacturing (SIC) Production (JUL)	Medium		0.3%	0.8%
Wed Aug 15	19:00	USD Business Inventories (JUN)	Medium		0.1%	0.4%
Wed Aug 15	19:00	USD NAHB Housing Market Index (AUG)	Medium		67	68

Source: Forex Factory, DailyFX

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