

Gold

Technical

Gold has broken to the upside again during the week, after forming a very bullish candle last week. This is a good sign, and it looks as if the \$1175 level underneath is massive support, and if it break down below there it's likely that it could unwind rather drastically, perhaps reaching to the \$1100 level, and then the \$1000 level after that. However, it has sold off so viciously over the last several months that Economists think at the very least it can expect a significant bounce. It will go to the \$1250 level, but it's very possible it may go to the \$1300 level. At this point, Gold looks like it is a nice buying opportunity. Once it get a little higher, close to the \$1300 level, then it may get a bit extended in the other direction. Gold tends to do this. Longer-term though, gold is a nice investment. It's obvious that gold touched a major bottom.

Pivot:	1,225		
Support	1,225	1,223	1,221
Resistance	1,235	1,233	1,231

Source: FX EMPIRE

Highlights

- Gold is seen as a safe store of value during political and economic uncertainty
- The dollar index, which measures the greenback against a basket of six major currencies, was down 0.1%
- There is going to be a lot more political upheaval and this is why gold is keeping the bid
- If the tensions loom large we could see gold rebound through 1,300
- There is an underbelly of concern over heightened geopolitical risks and I think this will keep gold bid

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 edged higher early today, moving closer to a 2-1/2-month peak hit last week, as Asian shares fell amid rising political tensions and worries over slowing global economic growth.
- Spot gold was up 0.1 percent at \$1,227.56 an ounce. On Oct. 15, the bullion touched its highest since July 26 at \$1,233.26. U.S gold futures were up 0.2 percent at \$1,230.60 an ounce.
- Asian share markets fell anew today as investors braced for the peak of the U.S earnings season while angst over Saudi Arabia, Italy and Brexit kept geopolitics front and centre. Gold speculators cut their net short position in COMEX gold contracts by 65,637 contracts to 37,372 contracts, the smallest since late July, in the week to Oct. 16, data showed.
- Geopolitical concerns including tension between Saudi Arabia and the West over the killing of journalist Jamal Khashoggi, developments related to Brexit, and Italy's budget woes, were keeping investors interested in gold.
- Spot gold may either consolidate further below a resistance at \$1,235 an ounce, or break a support at \$1,217, to fall to the next support at \$1,208. Russia's gold reserves stood at 65.5 million troy ounces as of the beginning of October.
- The outlook for global growth in 2019 has dimmed for the first time, according to Reuters polls of economists who said the U.S.-China trade war and tightening financial conditions would trigger the next downturn.
- Another two to three interest rate increases from the Federal Reserve will likely put U.S borrowing costs in "neutral" territory where it is neither stimulating nor restricting economic 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	
12/27/2016	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

Based on the early price action, the direction of the December WTI crude oil market today is likely to be determined by investor reaction to the main Fibonacci level at \$70.40. Since the market is trading inside last Thursday's \$69.99 to \$68.53 range for a second session, these prices may be the actual breakout levels today. U.S West Texas Intermediate crude oil futures are holding steady early today in limited trading. The market is being underpinned by concerns ahead of the start of U.S sanctions against Iran's crude exports. However, worries about increased U.S production are helping to limit gains. Investors are basing this conclusion on another increase in the weekly U.S rig count. December WTI crude oil is trading \$69.49, up \$0.21 or +0.30%. The main trend is up, however, momentum has been trending lower since October 10.

Pivot:	68.55		
Support	68.55	68.20	67.80
Resistance	71.00	70.35	69.75

Source: FX EMPIRE

Highlights

- Oil prices marked high 1% as dollar backs off week high
- Brent rebounded from September 24 lows, still on track for second weekly losses
- The full impact of the U.S-China trade war will hit markets in 2019 and could act as a considerable drag on oil demand next year
- OPEC agreed in June to boost supply to make up for the expected disruption to Iranian exports
- The potential for rising oil supply, the ongoing Sino-American trade dispute is expected to start dragging on demand

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

- Brent crude oil prices rose back above \$80 a barrel today as markets were expected to tighten once U.S sanctions against Iran's crude exports are implemented next month.
- Benchmark Brent crude oil futures were at \$80.26 a barrel, up 48 cents, or 0.6 percent, above their last close. U.S West Texas Intermediate crude futures were at \$69.60 a barrel, up 48 cents, or 0.7 percent.
- The U.S sanctions on the oil sector in Iran, the third-largest producer in the OPEC, are set to start on Nov. 4. The United States under President Donald Trump is trying to reduce Iranian oil exports to zero to force the country to renegotiate an agreement on its nuclear program.
- There are many geopolitical, non-energy related issues, which could also have further impact on the oil markets. The world's biggest crude oil exporter, might retaliate against any punitive measures by global powers over Khashoggi's death in the Saudi consulate in Istanbul.
- U.S Treasury Secretary Steven Mnuchin told Reuters on Sunday that it would be harder for countries to get sanction waivers than it was during the previous Obama administration, when several countries, especially in Asia, received them.
- Some relief may come from North America, where U.S drillers added four oil rigs in the week to Oct. 19, bringing the total count to 873, raising the rig count to the highest level since March 2015.
- The U.S rig count is an early indicator of future output. With activity increasing after months of stagnation, U.S crude production is also expected to continue to rise.

US Commodity Futures Trading Commission (CFTC) Data

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	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 have touched the \$14 level, an area of major support recently. In fact, this is an area that has been massive on longer-term charts for some time. At this point, Economists think that the silver market is starting to attract a lot of longer-term players, as \$14 has been so reliable. At this point, if it break down below the \$14 level, it could then go down to the \$12 level after that. That's an area that is supported uneven longer-term charts, and of course could have a massive influence on what happens next. It would be an extreme buyer down at those levels, but the \$14 level is going to give way. Once it break the \$15 level above, then the market goes to the \$16 level next. That's an area that was previous support, and it should now be resistance. In fact it is the next target if it can clear the recent consolidation. Pay attention to the US dollar, the greenback of course has a major influence.

Pivot:	14.58		
Support	14.58	14.53	14.47
Resistance	14.84	14.77	14.72

Source: FX EMPIRE

Highlights

- Silver prices were up 0.4 percent at \$14.65 per ounce
- The white metal for delivery in March contracts was trading higher
- Building up of positions by speculators in line with a firm trend in global markets for precious metals influenced silver prices at futures trade
- Recently rising political tensions and worries over slowing global economic growth have supported the prices
- Silver prices rose as speculators created fresh positions amid firm trend overseas

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 futures tilted higher in Asian trade off October 11 lows as the dollar index slipped away from October 9 highs, when it touched August 20 highs, amid a lack of US data today.
- Silver futures due in December rose 0.27% to \$14.69 an ounce, while the dollar index barely inched down 0.03% to 95.68 away from two-week highs. Now markets await US GDP data later this week, expected to clock in a slowed down growth rate at 3.3% from 4.2% in the second quarter, while GDP prices are estimated at 2.3%, down from 3.0% in the second quarter.
- Chinese data released last week showed the seasonally adjusted reading for third-quarter GDP growth down to 1.6% as expected from 1.8%, and also down to 6.5% y/y from 6.7%, the slowest such pace since the financial crisis.
- The unemployment rate fell to 4.9% from 5% in August, while retail sales rose 9.2% y/y, as industrial production slowed down to 5.8% from 6%. The Fed forecast another rate hike this year, and three more next year, and another in 2020, as the economy blisters ahead.
- The Federal Reserve recently released the minutes of its September 25-26 meeting, at which the Federal Open Market Committee voted to increase interest rates by 25 basis points for the third time this year to just below 2.25% as expected, while carrying on plans to normalize the balance sheet.
- Earlier this month, the International Monetary Fund cut its forecasts for global growth for this year and the next for the first time in two years, with US and Chinese economies the most important downgrades alongside the euro zone due to rising trade protectionism.

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

Monday, October 22, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Oct 22	09:30	JPY All Industry Activity Index (MoM) (AUG)	Medium	0.5%	0.4%	0.0%
Mon Oct 22	12:00	CHF Money Supply M3 (YoY) (SEP)	Low	2.3%		2.5%
Mon Oct 22	12:00	JPY Convenience Store Sales (YoY) (SEP)	Low			1.0%
Mon Oct 22	13:00	CHF Domestic Sight Deposits CHF (OCT 19)	Low			468.2b
Mon Oct 22	14:00	EUR Euro-Zone Government Debt-Gross Domestic Product Ratio (2017)	Low			86.7%
Mon Oct 22	17:30	CAD Wholesale Trade Sales (MoM) (AUG)	Low		-0.2%	1.5%
Mon Oct 22	17:30	USD Chicago Fed Nat Activity Index (SEP)	Low		0.22	0.18
Mon Oct 22	20:30	USD U.S. to Sell USD45 Bln 3-Month Bills	Low			
Mon Oct 22	20:30	USD U.S. to Sell USD39 Bln 6-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
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