

Gold

Technical

Gold markets initially tried to rally during the trading sessions of the week, testing the \$1300 level. Ultimately, the market will eventually find that area broken though, and short-term pullbacks will probably offer buying opportunities. It is starting to see the moving average is turned up, and perhaps the candle stick for the week is simply a pullback as it may have gotten a bit ahead of ourselves. For longer-term investors, either a break above the \$1300 level, or perhaps a pullback on the daily chart that show signs of support. That's the case, it will continue to go to the upside. If it break down below the \$1250 level, it would be a major turn of events and a very bearish sign. Otherwise, a simple breakout would work as well. It would start out slowly, and then add as it go along.

Pivot:	1,284		
Support	1,280	1,278	1,276
Resistance	1,290	1,286	1,284

Source: FX EMPIRE

Highlights

- Gold prices held steady as rising risk appetite offsets Fed pause views
- Dovish signals from the Fed have kept dollar strength in check, helping gold
- It has seen very positive conditions in U.S equities and the dollar has also seen a series of positive investors
- Gold is still positive on a synchronised slowdown in global economic conditions and geopolitical uncertainties
- Asian markets were steady, after Wall Street posted a fourth straight week of gains last week

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 inched up today on expectations that the U.S Federal Reserve will pause its multi-year interest rate hike cycle, but gains were limited by a recovery in investor appetite for risk.
- Spot gold had risen 0.2 percent to \$1,282.71 per ounce, while U.S gold futures were steady at \$1,282.50 per ounce. Gold has risen more than 10 percent since touching 1-1/2-year lows in mid August, mainly due to tumultuous equity markets and a softer dollar.
- Slower global growth, a stock meltdown last quarter, and a partial U.S government shutdown that threatens consumer confidence and spending have many in the Fed worried about what the central bank's policymakers only last month called "strong" economic activity.
- Gold tends to gain on expectations of lower interest rates, as they reduce the opportunity cost of holding non-yielding bullion. Lower interest rates also tend to weigh on U.S yields and the dollar, in which gold is priced.
- U.S manufacturing output increased by the most in 10 months in December, boosted by a surge in the production of motor vehicles and a range of other goods, which could allay fears of a sharp slowdown in factory activity.
- China is expected to report that economic growth cooled to its slowest in 28 years in 2018 in the face of weakening domestic demand and bruising U.S tariffs.
- "Patience" is the new mantra at the Fed, less than two weeks ahead of the U.S central bank's first policy meeting of the new year, as officials leave little doubt they want to stop raising interest rates at least for a while.

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 initially fell during the week but found enough support above the \$50 level to turn around and rally again. It looks as if the shrinking US dollar is helping, but there is also expected increased demand going forward, and it had sold off a bit too much. At this point, it is approaching the significant \$55 handle, so if it can break above that level, then WTI Crude Oil can continue to go higher. It is suspected it may see a little bit of a pushback in this area, but it should be temporary in nature as it continues to recover. If it turns on a break down below the \$50 level, that would be very bearish. Brent markets initially fell below the \$60 level during the week, but then turned around to break above that level again. If it is pressing a certain amount of resistance just above, but Brent will lead the way going forward, as it seems like it was the first one to break above its downtrend line.

Pivot:	48.20		
Support	48.20	42.30	38.00
Resistance	63.50	59.90	55.25

Source: FX EMPIRE

Highlights

- Oil prices fell over the course of December, even after the OPEC+ cuts were announced
- After ending 2018 in freefall, oil is off to its best start for a year since 2001, gaining 18% since the start of January
- Crude oil production rose by more than 2 million bpd in 2018, to a record 11.9 million bpd
- The recent advance for the energy complex has been powered by evidence of a decline in global output
- The biggest weekly decline in the U.S oil-rig count in nearly three years

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 firmed today after data showed China's economic slowdown was not as big as some analysts had expected, with supply cuts led by the Organization of the Petroleum Exporting Countries also offering support.
- International Brent crude oil futures were at \$62.83 per barrel, up 13 cents, or 0.2 percent, from their last close. U.S West Texas Intermediate crude futures were at \$53.92 a barrel, up 12 cents, or 0.2 percent.
- Both oil price benchmarks had dipped into the red earlier in the session on fears that China's 2018 economic growth figures would be weaker. In the United States, energy firms cut 21 oil rigs in the week to Jan. 18, taking the total count down to 852, the lowest since May 2018.
- China's economy grew by 6.6 percent in 2018, its slowest expansion in 28 years and down from a revised 6.8% in 2017. China's September-December 2018 growth was at 6.4 percent, down from 6.5% in the previous quarter.
- The supply cuts led by OPEC will move the market back into supply deficit for most of 2019 and that should allow oil prices to rise to U.S \$70 per barrel before year-end from current levels of U.S \$60 per barrel.
- Oil investors will be watching for more trade-related headlines this week, after prices enjoyed a third weekly gain in a row on hopes the United States and China would strike a deal to end a trade war between the world's two biggest economies.
- The Organization of the Petroleum Exporting Countries, which revealed that the group's output fell by 751,000 barrels to 31.6 million barrels a day in December.

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 pulled back a bit during the week, reaching towards the \$15.50 level, an area that is roughly the 50% Fibonacci retracement level from the explosive breakout. Because of this, it will continue to see buyers pick up value, and the \$15 level underneath is support. If it break down below the \$15 level, it will continue to go even lower. However, it will bounce long before it get to that point and go looking towards the \$16 level again. If it can break above the \$16 level, the market then probably goes looking towards the \$17 roughly. These pullbacks will offer value that longer-term investors can take advantage of. Beyond that, the idea of buying silver in its physical form, so that gives the opportunity for buyers to step in and invest for the longer-term move. The \$15 level being broken down should send this market down to the \$14 level after that.

Pivot:	15.37		
Support	15.27	15.21	15.17
Resistance	15.48	15.44	15.37

Source: FX EMPIRE

Highlights

- Silver is precious metals outcast as 2019 rebound promise fades
- Investors are worry about the FED, interest rates and the U.S Dollar
- Silver just completed its worst year in three. Investors are showing no signs of taking a shine to the metal in 2019
- Silver futures on Friday posted the biggest weekly loss since November
- Silver has an industrial component, and industrial metals have been "weighed down by slowing global growth concerns

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

- 2018 was a challenge for investors in metals. After peaking in April and making yearly lows in August, silver appeared to stabilize, and with new money coming in, the metals made a strong finish for the year. Looking back to the last two years, it can see that the metals market consolidated in a range between 1200 and 1350.
- Silver was weaker than gold, showing a downward trend over the last two years. Pundits continue to look for reasons for this weakness and point to the stronger dollar, although the dollar was weaker than silver. Others will point to the FED and rate hikes, but neither the Fed nor the dollar were to blame.
- Like any other asset class, silver move up and down, and for the last couple of years the sellers have been in control, putting downward pressure on the metals. All markets cycle through strong and weak phases for many reasons.
- 2019 looks like it is going to be the year of silver, it appear to have bottomed and attracting new money while holding every new level of support. The weakness in metals seems to be gone and new money has been cautiously buying.
- Commodities and hard assets like silver should lead the way in 2019. After peaking in 2011 and subsequently collapsing, silver have found their footing and spent over 5 years consolidating.
- It is expected that silver to breakout to the upside in 2019, with our first targets 20.00 for silver. The ridiculous ratio of 1 silver should fall to a more reasonable ratio.

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, January 21, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Jan 21	05:01	GBP Rightmove House Prices (YoY) (JAN)	Medium	0.4%		0.7%
Mon Jan 21	07:00	CNY Retail Sales YTD (YoY) (DEC)	Medium	9.0%	9.0%	9.1%
Mon Jan 21	07:00	CNY Industrial Production YTD (YoY) (DEC)	Medium	6.2%	6.2%	6.3%
Mon Jan 21	07:00	CNY Fixed Assets Ex Rural YTD (YoY) (DEC)	Medium	5.9%	6.0%	5.9%
Mon Jan 21	07:00	CNY Property Investment (YoY) (DEC)	Medium	9.5%		9.7%
Mon Jan 21	07:00	CNY Surveyed Jobless Rate (DEC)	Medium	4.9%		4.8%
Mon Jan 21	07:00	CNY Gross Domestic Product s.a. (QoQ) (4Q)	High	1.5%	1.5%	1.6%
Mon Jan 21	12:00	EUR German Producer Price Index (MoM) (DEC)	Low		-0.1%	0.1%
Mon Jan 21	14:00	CHF Domestic Sight Deposits CHF (JAN 18)	Low			483.0b

Source: Forex Factory, DailyFX

Disclaimer: This document has been prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. This document and the information may not be reproduced, distributed or published by any recipient for any purpose.

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
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) 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 # 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