

## Gold

### Technical

Gold markets have broken down significantly yesterday, as money flows into the United States and away from riskier assets. The rising US dollar has pounded the precious metals sector, and it has now seen them break down. Now that it is well below the \$1200 level, it suspect that Gold is going to go looking towards the \$1140 level, and then perhaps even the \$1100 level next. After that, the market has so much in the way of support at \$1000 that I think it's the "floor" in the market. At this point though, it's obvious that rallies are to be sold unless a longer-term investor looking to pick up physical metal, then of course it can do so on these breakdowns in little bits and pieces, building up a larger portfolio. The \$1200 level above is a massive resistance barrier, but it can break above there it's likely that it will continue to go much higher as it would be a complete turnaround in the overall attitude.

Pivot:	1,173		
Support	1,168	1,160	1,154
Resistance	1,182	1,189	1,195

Source: FX EMPIRE

### Highlights

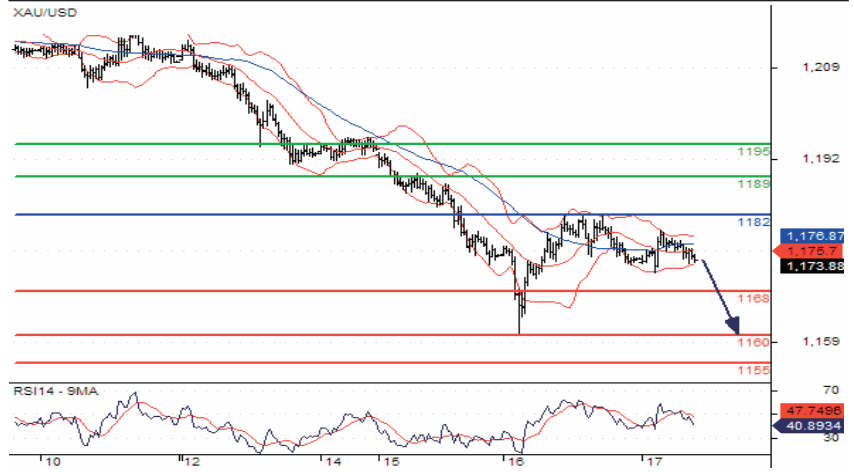
- Gold fell to a more than 18-month low yesterday as the dollar climbed towards its highest in over a year
- Gold liquidation from emerging markets to strengthen local currencies also pressured bullion
- After an 8.3% drop in just the past three months, gold futures have traded down nearly 10% for the year to date
- The strength of the US dollar is the main headwind for gold, with the dollar index up 4.5 percent
- The US Federal Reserve raises interest rates and US equities outperform most global peers

### 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 shed over one percent today to hit their lowest in more than 19 months, with the U.S dollar holding steady near a recent peak as concerns about a Turkey crisis and China's economic health weighed on emerging market currencies.
- Spot gold was down 0.8 percent at \$1,164.71 an ounce. Earlier in the session, the bullion fell as much as 1.2 percent to \$1,159.96, its lowest since January 2017. U.S gold futures were down 1.1 percent at \$1,172.7 an ounce.
- The dollar index, which measures the greenback against a basket of six major currencies, was up about 0.1 percent at 96.756, after climbing to a more-than-13-month high at 96.984 in the previous session.
- The United States ruled out removing steel tariffs that have contributed to a currency crisis in Turkey even if Ankara frees a U.S pastor, as Qatar pledged \$15 billion in investment to Turkey, supporting a rise in the Turkish lira.
- The United States imposed sanctions on a Russian port service agency and Chinese firms for aiding North Korean ships and selling alcohol and tobacco to Pyongyang in breach of U.S sanctions aimed at pressuring North Korea to end its nuclear programs.
- Some emerging market countries pared their holdings of U.S Treasuries in June, data from the U.S Treasury department showed yesterday, in what analysts viewed as a move to support their currencies as the Federal Reserve started raising interest rates this year.
- U.S retail sales rose more than expected in July as households boosted purchases of motor vehicles and clothing, suggesting the economy remained strong early in the third quarter.

### 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 has broken down significantly during the trading session yesterday, slicing through major support at the \$65 level. Ultimately, this market should continue to go much lower, unless of course something changes drastically with the greenback, which seems to be a beast when it comes to the Forex markets. Overall, rallies are to be sold until it can break above the \$66.50 level with authority. It now looks as if oil is the next domino to fall in the global risk category. Brent markets fell drastically as well, losing over 2% by the time. It is reaching towards the \$70 level, and the look at this chart it will probably break through it given enough time. Economists think rallies are to be sold obviously, and now it looks as if the market is probably going to start its next leg lower. Oil prices are going lower unless something changes drastically, and in short order.

Pivot:	65.72		
Support	65.30	64.80	64.45
Resistance	66.13	66.55	66.90

Source: FX EMPIRE

### Highlights

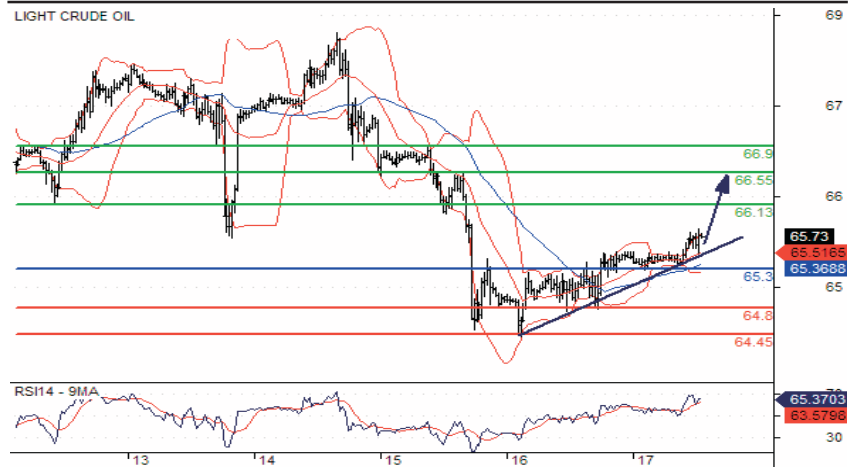
- Oil prices fell after data from API showed increased U.S crude inventories in the week to Aug 10
- Trade tensions between the U.S and China has been cited as headwind for global energy demand
- Crude oil processing increased sharply and reached a record level of almost 18 million barrels per day last week
- Providing Brent crude some support were looming U.S sanctions against Iran's oil exports
- Oil futures fell more than \$2 a barrel yesterday after data showed U.S crude stockpiles jumped last week

### 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 today clawed back some of the previous day's losses after Beijing said it would send a delegation to Washington to try to resolve a trade dispute between the United States and China that has roiled global markets.
- Market sentiment, though, remains bearish amid the dispute and concerns of an economic slowdown in emerging markets. At the same time, U.S crude inventories climbed by 6.8 million barrels, to 414.19 million barrels, the EIA said.
- Brent crude oil futures were at \$71.11 per barrel, up 35 cents, or 0.5 percent, from their last close. U.S West Texas Intermediate crude futures were up 15 cents, or 0.2 percent, at \$65.17 a barrel, held back somewhat by rising U.S crude production and storage levels.
- China and the United States have implemented several rounds of tit-for-tat tariffs on each others goods and threatened further duties on exports worth hundreds of billions of dollars.
- Sentiment in oil markets was also cautious due to the rise in U.S crude production and storage levels, as well as weakness in emerging market economies, particularly in Asia, that could limit demand growth.
- Output of U.S. crude rose by 100,000 barrels per day (bpd) in the week ending Aug. 10, to 10.9 million bpd, according to the U.S Energy Information Administration (EIA) weekly production and storage report.
- Investors are concerned about the world economy as trade disputes between the United States and its major trading partners. In Japan, official data showed a slowdown in export growth as well as a decline in crude oil imports.

### 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 have been absolutely hammered yesterday, slicing through the last vestiges of support. At this point, the market will probably go looking towards the \$14 level underneath, where it has seen a massive amount of support in the past. Economists believe that longer-term investors are probably looking at this as a nice buying opportunity, but that's an investment, not some type of short-term trade. Because of this the short-term rallies that show signs of exhaustion should be selling opportunity, and it will probably continue to see turbulence in the markets, as the greenback becomes the ultimate safe haven. Greenbacks of course work against the value of silver, so this point is pretty easy to imagine this chart dropping down to the \$14 level.

Pivot:	14.62		
Support	14.52	14.31	14.15
Resistance	14.83	14.96	15.10

Source: FX EMPIRE

### Highlights

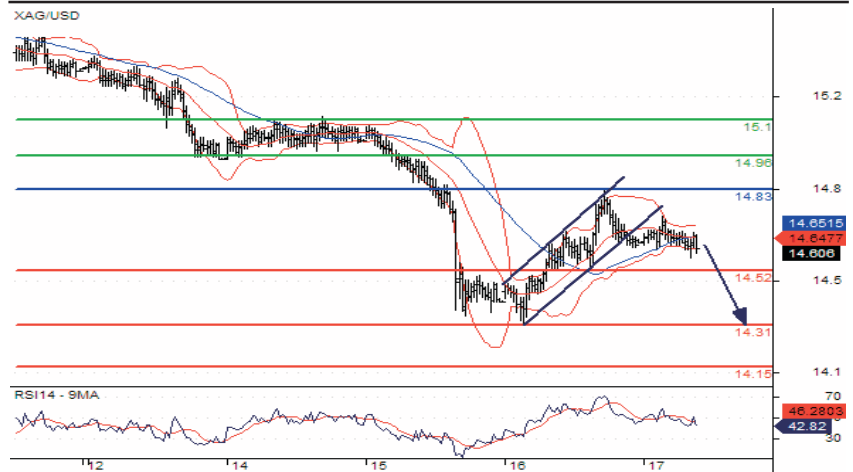
- Spot silver lost 3.3 percent at \$14.46 an ounce after falling to its lowest since February 2016, at \$14.32
- A significant escalation in the currency market turmoil not having a bullish impact on safe-haven silver
- The U.S. dollar index hit a 14-month high today on worries about a global currency market crisis developing
- September Comex silver was last down \$0.633 at \$14.42 an ounce
- U.S stock indexes were also sharply lower today, on keener risk aversion in the marketplace

### 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 higher in Asian trade off February 3, 2016 lows, while the dollar index backed off June 2017 highs, ahead of housing, unemployment data from the US later today.
- Silver futures due in September inched up 0.25% to \$14.49 an ounce away from 2-1/5 year lows, while the dollar index slipped 0.22% against a basket of major rivals to 96.48.
- Investors await US unemployment claims data, expected to have increased 2 thousand to 215 thousand in the week ending August 11, while continuing claims are estimated to have fallen 14 thousand to 1.741 million in the week ending August 4.
- An index tracking the manufacturing sector in Philadelphia is estimated to slow down to 21.9 from 25.7 in July, while housing permits are expected at 1.31 million in July, up 1.4%, as housing starts are estimated at 1.27 million in July, up 7.4%.
- 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.
- A stronger dollar can be a negative for commodities priced in the buck, making them more expensive in other currency terms. The dollar, as measured by the U.S Dollar Index DXY, -0.23% rose less than 0.1% to 96.78, near a 14-month high for the index.
- Metal prices were hurt by an ongoing rise in the dollar and worries that an economic crisis in Turkey could spread to emerging markets which would hit already fragile demand for commodities. The rise in the dollar comes as a recession beckons as higher interest to support the lira.

### 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

Friday, Aug 17, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Aug 17	04:30	AUD RBA Governor Semiannual Testimony	High			
Fri Aug 17	14:00	EUR Euro-Zone Consumer Price Index Core (YoY) (JUL F)	Medium	1.1%	1.1%	1.1%
Fri Aug 17	17:30	CAD Consumer Price Index (YoY) (JUL)	High		2.5%	2.5%
Fri Aug 17	17:30	CAD CPI Core - Median (YoY) (JUL)	Low			2.0%
Fri Aug 17	19:00	USD Leading Index (JUL)	Medium		0.4%	0.5%
Fri Aug 17	19:00	USD U. of Mich. Sentiment (AUG P)	High		98	97.9
Fri Aug 17	19:00	USD U. of Mich. Expectations (AUG P)	Low			87.3
Fri Aug 17	19:00	USD U. of Mich. 5-10 Yr Inflation (AUG P)	Low			2.4%
Fri Aug 17	22:00	USD Baker Hughes U.S. Rig Count (AUG 17)	Medium			

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
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