

Gold

Technical

Gold markets look as if they are ready to turn around and rally, as the US dollar is finally giving back some of the gains. Economists think that breaking above the previous week's candle is a bullish sign, and it would be a buying opportunity to go towards the \$1300 level. A break down below the \$1150 level would send this market much lower, perhaps down to the \$1100 level, perhaps even lower than that to the \$1000 level. At that point, it would back up the truck and buy as much gold as it possibly could. That's a major level on longer-term charts, and it will attract a lot of attention in and of itself. However, the market is certainly offering a lot of value in this area, and ultimately that will probably decide what happens next. The Gold markets have been sold off drastically by emerging markets, as currency devaluation has been a major factor. Overall, this market will be very rocky.

Pivot:	1,205		
Support	1,201	1,196	1,192
Resistance	1,209	1,213	1,217

Source: FX EMPIRE

Highlights

- Gold prices ended markets last week on a high, up around 2.5%
- The U.S dollar weakened sharply, providing support for dollar-denominated gold prices
- The dollar index, which tracks the greenback against a basket of six major currencies, was down 0.1 percent at 95.075
- A modest US Dollar rebound now seemed to be only factor keeping a lid on any further up-move for the dollar-denominated commodity
- The precious metal's safe-haven appeal and collaborated to the weaker tone

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 inched up after marking their biggest one-day percentage gain in over a year the session before, with the U.S dollar easing on comments from the Federal Reserve chairman in support of a gradual approach to raising rates.
- Spot gold was up 0.1 percent at \$1,206.57 an ounce. It rose about 1.7 percent on Friday in its biggest one-day percentage gain since May 17, 2017. U.S gold futures were almost flat at \$1,213 an ounce.
- Fed chair Jerome Powell on Friday defended the U.S central bank's push to raise interest rates as healthy for the economy and signaled more hikes were coming despite President Donald Trump's criticism of higher borrowing costs.
- Powell has begun putting his stamp on the U.S central bank as someone who will rely more on data-informed judgment and less on some of the models and theoretical values that have shaped the Fed's course in recent years.
- Hedge funds and money managers increased their net short position in COMEX gold contracts to another record in the week to Aug. 21, adding 1,306 contracts to bring it to 78,579 contracts, the largest since records became publicly available in 2006, data showed.
- Higher activity in gold options amid geopolitical tensions and a record-long bull market for U.S equities suggest that investors are betting gold prices have found a floor.
- Vice Ministers from China and the U.S are due to meet later this month to resume trade negotiations, after the last round of trade talks ended with little progress made. In addition, US tariffs on \$16 billion of Chinese goods went into effect on August 24th, with China quick to follow with reciprocal restrictions and a threat to file a complaint with the World Trade Organization.

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 got as low as \$65 during the week, but then rallied rather significantly. In fact, it is closing four dollars higher than it started, which of course is a very positive sign. Being able to hold the trend line was crucial, and beyond that it is closing towards the top of the overall range. At this point, pullbacks will continue to be thought of as buying opportunities, and people will look for value when they can find it. At this point it also believe that the \$71 level above offers a bit of resistance but clearing that will open the door to the \$75 handle. Pay attention to the US dollar it has its influence, but now it is starting to see the greenback give back some of its gains. Brent markets also rallied rather significantly, reaching towards the \$76 level. The market has cleared significant resistance in the form of the \$75 handle, and now set to go looking towards \$79.

Pivot:	68.52		
Support	68.25	67.95	67.30
Resistance	68.90	69.30	69.65

Source: FX EMPIRE

Highlights

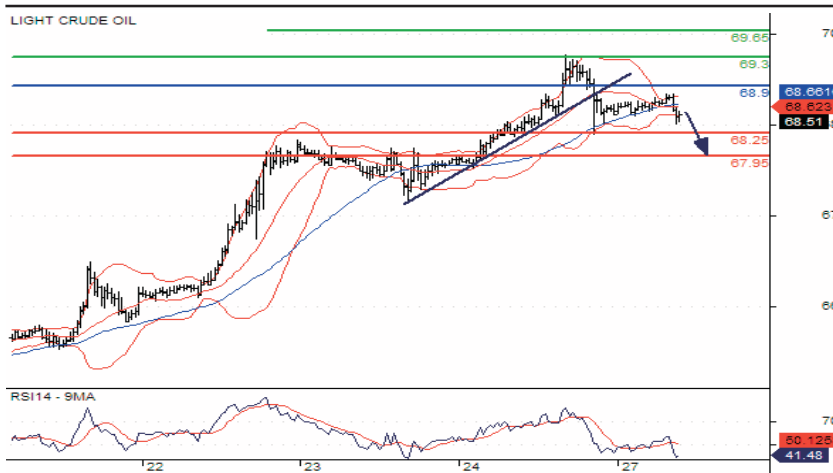
- The prices remain contained in a tight range, as the upside remains capped by persisting US-China trade tensions
- Oil rigs in the U.S fell by nine to 860 last week, the biggest drop since May 2016
- Higher oil prices have been key, as for other global heavyweights
- Global oil prices were up almost 20 percent in the first half of 2018, with Brent crude oil topping \$80 a barrel in May for the first time since 2014
- WTI stalled its correction from two-week tops of \$ 69.31

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 on concerns the U.S-China trade dispute will erode global economic growth, although looming U.S sanctions against Iran's oil sector kept crude from falling further.
- International Brent crude oil futures were at \$75.63 per barrel, down 19 cents from their last close. U.S West Texas Intermediate crude futures were down 30 cents at \$68.42 a barrel.
- Falling U.S rig counts and last week's decline in U.S inventories are supporting oil prices amid a protracted U.S-China trade war that could dampen global growth and weigh on oil demand.
- U.S energy companies cut nine oil drilling rigs last week, dropping to 860, the biggest reduction since May 2016, energy services firm Baker Hughes said on Friday.
- Despite growing concerns about potential oversupply, the markets will continue to get a fillip from U.S sanctions against Iran. Washington will target Iran's oil exports with sanctions from November.
- OPEC-member Iran has exported around 2.5 million barrels per day of crude oil so far this year. Most analysts expect this figure to fall by at least 1 million bpd once sanctions kick in.
- On the other hand, the crude markets also draw support from U.S sanctions against Iran, which from November will include oil exports. The sanctions are being reinstated after U.S President Donald Trump pulled out of the Iran nuclear deal earlier this year. Iran is the third-biggest producer in the OPEC, supplying around 2.5 million barrels per day (bpd) of crude.

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 choppy over the last couple of days, forming a hammer for the week. It anticipate that this market will probably continue to see a lot of noise and chopped, but for those who are longer-term inclined, it will probably see an opportunity to pick up silver "on the cheap." This allows for value hunting, and for those who are longer-term players that aren't over levered, this would be a return to normalcy as it has seen a lot of buying pressure in this area. The market has seen this before, and a lot of people are willing to jump in and pick up silver at these levels. The market continues the pattern that it has seen for some time, and if it can wipe out the candle stick from the previous week, that would be a very bullish sign, perhaps sending silver to the \$17 level rather quickly.

Pivot:	14.80		
Support	14.71	14.60	14.50
Resistance	14.87	14.98	15.07

Source: FX EMPIRE

Highlights

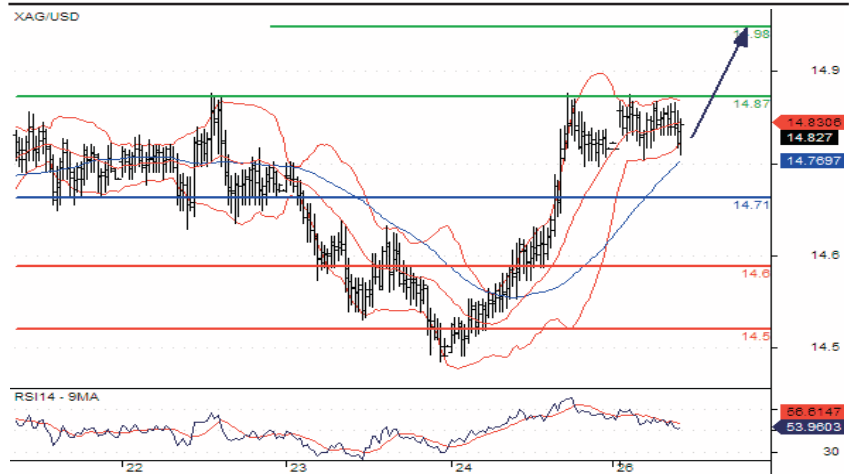
- Spot silver dropped 1.2 percent to \$14.56 an ounce, touching \$14.49, a one-week low
- Powell said he expects to see further interest rate increases, but suggested that the Fed funds rate was getting closer to neutral
- A weaker U.S currency makes dollar-denominated commodities less expensive for foreign investors
- Spot silver edged up 0.1 percent to \$14.81 an ounce
- Once interest rates reach a neutral equilibrium, where they neither stimulate nor suppress the economy the Fed can cease hiking rates

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 inched higher in Asian trade as the dollar index traded mostly flat, amid a lack of data from the US today and after the high-profile Jackson Hole Symposium in Wyoming concluded in the weekend.
- Silver futures due in December rose 0.13% to \$14.92 an ounce, while the dollar index barely added 0.02% to 95.16 versus an array of major currencies. Now markets await the second reading for US GDP growth later this week, estimated at 4.0% for the second quarter, compared to the the advance reading of 4.1%.
- Last week, Federal Reserve Chair Jerome Powell spoke at the Fed's annual retreat in Jackson Hole, Wyoming, where he made the case for "further, gradual" rate hikes as the economy strengthens. Fed's goals are to balance economic momentum with controlled inflation.
- The U.S dollar index, which measures the greenback's strength against a basket of six major currencies, was down 0.49% at 95.08 late Friday. The index ended the week down 0.96%, its second consecutive weekly decline.
- On Wednesday investors will get the chance to parse a revision to second quarter U.S. GDP. Growth is expected to be revised down to 4% from the initial estimate of 4.1%, but that would still represent the fastest pace of growth in four years.
- Powell stated: "As the most recent FOMC statement indicates, if the strong growth in income and jobs continues, further gradual increases in the target range for the federal funds rate will likely be appropriate.
- In an interview, the US President Donald Trump once again criticized the Federal Reserve's interest rate hikes, noting he's "not thrilled" with the way monetary policy is progressing and calling for a more accommodative direction.

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 27, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Aug 27	13:00	EUR German IFO Business Climate (AUG)	Medium	103.8	101.8	101.7
Mon Aug 27	13:00	EUR German IFO Expectations (AUG)	Medium	98.4	98.4	98.2
Mon Aug 27	13:00	EUR German IFO Current Assessment (AUG)	Medium	106.4	105.3	105.3
Mon Aug 27	13:00	CHF Total Sight Deposits CHF (AUG 24)	Low	566.8b		576.6b
Mon Aug 27	13:00	CHF Domestic Sight Deposits CHF (AUG 24)	Low	477.0		472.6
Mon Aug 27	17:30	USD Chicago Fed Nat Activity Index (JUL)	Low		0.45	0.43
Mon Aug 27	19:30	USD Dallas Fed Manufacturing Activity (AUG)	Low		30	32.3
Mon Aug 27	20:30	USD U.S. to Sell 3-Month Bills (AUG 27)	Low			
Mon Aug 27	22:00	USD U.S. to Sell 2-Year Notes (AUG 27)	Low			

Source: Forex Factory, DailyFX

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