

Gold

Technical

Gold markets initially tried to rally during the course of the week, but found enough resistance above to turn things back around to form an exhaustive candle. What I find interesting is that the exhaustive candle is at the 30.2 Fibonacci retracement level, an area that you would see quite a bit of interest. Because of this, and the fact that the \$1200 level is right there, I suggest that the market will probably pull back. If we can break down below the bottom of the shooting star, the market should then reach down towards the 1150 level, and then the lows again at 1125. Alternately, if we break above the top of the shooting star, then we will more than likely reach towards the 50% Fibonacci retracement level, which is at the 1230 handle. There is a longer-term downtrend in effect at the moment, and because of that it's likely that the sellers will be very interested in this market.

Pivot:	1,211		
Support	1,208	1,205	1,203
Resistance	1,215	1,219	1,223

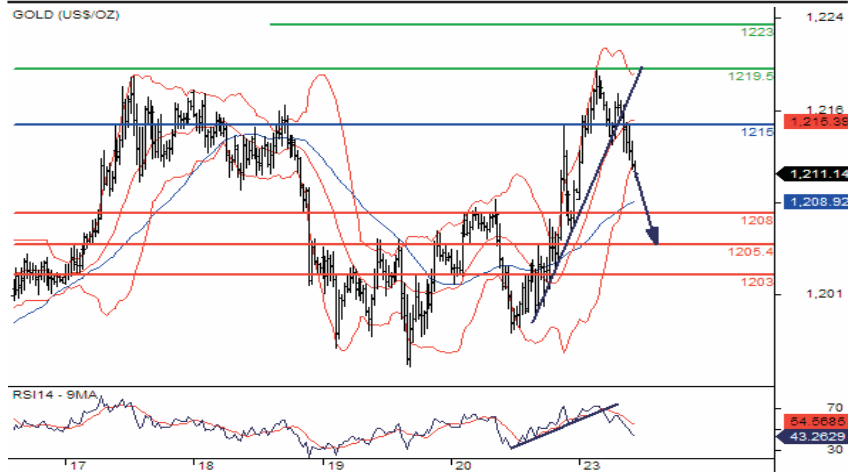
Highlights

- Gold gained some fresh traction at the start of a new trading week and rose to the highest level in two-month
- Trump's inaugural speech failed to impress the markets
- Uncertainty around Trump's proposed fiscal policy measures continues to weigh on the US Dollar today
- The yellow metal traded with positive bias for ninth session in the previous ten
- The upward trajectory lacked conviction amid growing prospects of additional Fed rate-hike

Gold - Technical Indicators

RSI 14	63.70
SMA 20	1,177.00
SMA 50	1,170.90
SMA 100	1,222.70
SMA 200	1,268.80

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices rose today in Asian session to their highest in two months as investors sought safer assets amid uncertainty around the economic policies of new U.S. President Donald Trump and as the dollar declined against other major currencies.
- Spot gold was up 0.64 percent at \$1,217.26 per ounce. Earlier in the session, it hit \$1,219.43, the highest since Nov. 22. U.S gold futures climbed as much as 1 percent to \$1,217.
- The dollar index, which measures the greenback against a basket of currencies, fell by 0.5 percent to 100.230. Donald Trump, who took power as the 45th president of the United States on Friday, pledged to end the "American carnage" of social and economic woes in an inaugural address that was a populist and nationalist rallying cry, prompting investor concern about protectionist trade policies.
- With the lack of a clear policy direction from Trump, the market movement is a sign that risk aversion is back on the table. The market could witness volatility into the first 100 days of the Trump administration.
- Data from U.S. Commodity Futures Trading Commission (CFTC) on Friday underscored investor's bullish gold views. The CFTC reported that speculators raised their net long positions during the week to Jan. 17 in COMEX gold contracts for the second straight week.
- Bank of America Merrill Lynch said last week that precious metal funds had their biggest inflow in five months, according to data through to last Wednesday. Bond funds also notched a fourth consecutive gain over the last week.
- Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.2 percent to 809.15 tonnes on Friday from 807.96 tonnes on Thursday.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
5/17/2016	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
5/24/2016	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
5/31/2016	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
6/07/2016	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market fell initially during the week but found enough support just above the \$50 level to form a hammer. The hammer of course is a bullish sign, but we also should worry about the \$55 level above. That's an area that should cause quite a bit of resistance, but once we get above there we will more than likely try to reach towards the \$60 handle. This being the case, I think a lot of buyers are very interested in this market, but I also recognize that a breakdown below the \$50 level census market much lower. The inventory numbers continue to get bearish, so having said that it's likely that the market will continue to see quite a bit of volatility and eventually bearish pressure. I believe that the \$60 level is essentially the top of the market longer term. Ultimately bearish inventory numbers, and with the strengthening US dollar I feel it's only a matter of time before the sellers take over.

Pivot:	52.79		
Support	52.57	52.35	52.13
Resistance	53.26	53.68	53.97

Highlights

- Oil prices edged up in Asian session today after the OPEC said it was near its target of cutting 1.8 million barrels of crude oil a day
- U.S crude oil futures were 0.1 percent higher at \$53.27 a barrel
- Drillers added 29 rigs in the week to January 20, bringing the total count up to 551
- U.S. oil production has risen over 6 percent since mid-2016
- Oil prices have risen about 20 percent since OPEC committed to an output cut but most of it has been sentiment-driven

Crude - Technical Indicators

RSI 14	48.72
SMA 20	53.05
SMA 50	51.47
SMA 100	49.56
SMA 200	47.88

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil ticked lower on Monday, falling for the first time in three sessions as prospects of rising U.S. production weighed on the market. U.S. energy companies last week added the most rigs drilling for new production in almost four years.
- Drillers added 29 rigs in the week to Jan. 20, bringing the total count up to 551, the most since November 2015, energy services firm Baker Hughes said on Friday.
- U.S. oil production has risen more than 6 percent since mid-2016, although it remains 7 percent below a historic high in 2015. It is back to levels of late 2014, when strong U.S. crude output contributed to a crash in oil prices.
- Brent crude, the international benchmark for oil prices, was trading at \$55.42 per barrel, down 7 cents from its last close. U.S West Texas Intermediate (WTI) crude futures fell 11 cents to \$53.11 a barrel.
- Crude oil had traded higher earlier in the session on the back of output cuts by OPEC and other producers. Production cuts by oil producers and a weaker dollar prevented the market from dropping further.
- OPEC and non-OPEC countries have made a strong start to lowering their oil output under the first such pact in more than a decade, energy ministers said on Sunday as producers look to reduce oversupply and support prices.
- Ministers said 1.5 million of almost 1.8 million barrels per day (bpd) had already been taken out of the market. In the medium term it is going to be tough for oil to break out. The more oil goes up, the more these shale drillers are going to hedge by the futures.
- Hedge funds rushed to place bullish wagers on U.S crude oil last week. The U.S dollar fell after a drop in oil prices suggested U.S inflation would stay low and prevent the Fed from hiking interest rates at a steady pace this year.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
5/17/2016	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
5/24/2016	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
5/31/2016	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
6/07/2016	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

The Silver markets went back and forth during the week, breaking above the \$17 level at one point. However, we get back quite a bit of a gain so I think it's can be difficult to hang onto a longer-term trade currently. The gold markets ended up forming a very negative looking candle, so they could drag down the value of silver as well. Pay attention to the US dollar, if it strengthens it should continue to put quite a bit of bearish pressure on the Silver markets. If that's the case, the market should then reach towards the \$16 level. If we can break above the Wednesday candle, then I believe Silver will go higher but the US dollar continues to work against the value of silver, and I think that will ultimately win. Support first arrives at yesterday's low at 16.70, and beyond there we look to a couple of swing lows in the 16.56/50 vicinity and then 16.23.

Pivot:	17.07		
Support	16.94	16.87	16.80
Resistance	17.18	17.25	17.33

Highlights

- Silver ended higher on Friday, buoyed by the weaker dollar as the inauguration of Donald Trump as U.S. president fueled uncertainty
- The U.S. dollar index was down 0.33% to 100.77 late Friday
- The Dollar index has fallen 1.49% so far this month amid worries over Trump's protectionist stance
- Trump said his administration would put "America first"
- silver was at \$17.09 a troy ounce late Friday, and ended the week with gain of 1.59%

Silver - Technical Indicators

RSI 14	59.02
SMA 20	16.51
SMA 50	16.52
SMA 100	17.26
SMA 200	18.05

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices declined in Friday's trading session, but was still poised for their fourth consecutive weekly advance as political instability continued to roil the financial markets.
- March silver futures fell 7 cents, or 0.4%, to \$16.93 a troy ounce. For the week, silver was on track for a 1% gain. The dollar extended its recovery to three days on Friday following a deluge of upbeat economic data throughout the week.
- The dollar index rose 0.2% to 101.38, reversing a sharp drop at the start of the week. The U.S. currency put up strong gains against the euro, pound and Canadian dollar.
- On Thursday evening, Federal Reserve Chair Janet Yellen told an audience in San Francisco the U.S. economy was approaching the central bank's target and that gradual interest rate increases are necessary.
- "I think that allowing the economy to run markedly and persistently "hot" would be risky and unwise," Yellen said in speech at the Stanford Institute for Economic Policy Research.
- The Fed chief said waiting too long to rein in monetary stimulus would cause inflation to rise much faster than the central bank intends. In economic data, China's gross domestic product (GDP) expanded at an annualized 6.8% in the fourth quarter, slightly higher than the 6.7% clip seen in the last three quarter, the national statistics bureau reported Friday.
- On Friday, Trump said his administration would put "America first" and also promised new roads, bridges and highways. But market sentiment was hit by the negative tone of the speech, which underlined uncertainty over how Trump will govern. In the week ahead, the economic calendar is light but Trump's policy plans in his first days in office are likely to dominate headlines.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
5/17/2016	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
5/24/2016	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
5/31/2016	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
6/07/2016	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Monday, January 23, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Jan 23	09:30	JPY All Industry Activity Index (MoM) (NOV)	Medium	0.3%	0.4%	0.2%
Mon Jan 23	10:00	JPY Leading Index (NOV)	Low	102.8		102.7
Mon Jan 23	14:00	CHF Total Sight Deposits CHF (JAN 20)	Low	532.3b		531.4b
Mon Jan 23	15:00	EUR Euro Area Third Quarter Government Deficit	Low	1.7%		1.5%
Mon Jan 23	16:30	EUR ECB's Draghi Speaks in Torino, Italy	Medium			
Mon Jan 23	18:15	EUR ECB's Praet Speaks in Brussels	Low			
Mon Jan 23	18:30	CAD Wholesale Sales (MoM) (NOV)	Low		0.6%	1.1%
Mon Jan 23	19:50	GBP Bank of England Bond Buying Operation	Low			
Mon Jan 23	20:00	EUR Euro-Zone Consumer Confidence (JAN)	Medium		-4.8	-5.1

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	(Assistant 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

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