

Gold

Technical

Gold markets have broken down somewhat significantly yesterday, breaking below the \$1230 level. This market does have a significant amount of support at the \$1225 level just below, and even more support at the \$1200 level after that. With the US dollar gain the way it has, it's not a huge surprise that gold market sold off. Economists think that the market participants will continue to sell rallies in the short term, but if it can get some type of turnaround in the greenback, then it could see buyers for gold. The gold market will continue to be very negative in the short term, but somewhere near the \$1200 it would anticipate quite a bit of bullish pressure and demand for gold. If it break down below the \$1200 level, this would be a complete capitulation yet again, and could send this market as low as \$1000. It expect the \$1250 level above would be massive supply that would be difficult to overcome.

Pivot:	1,227		
Support	1,223	1,219	1,214
Resistance	1,234	1,237	1,241

Source: FX EMPIRE

Highlights

- Gold settled at a one-year low for a third straight session, pressured by strength in the dollar
- The U.S Dollar, which tracks the greenback against a basket of currencies, was up 0.13% to 95.05
- Investors are selling emerging markets, commodities and buying the dollar as it seems to be the most stable investment
- The greenback has put in a solid performance this year amid the trade disputes
- A strong dollar tends to weigh on gold by making the dollar-priced metal costlier for non-U.S investors

Gold - Technical Indicators

RSI 14	70.21
SMA 20	1,260.3
SMA 50	1,259.1
SMA 100	1,258.9
SMA 200	1,257.5

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices today held steady near a one-year low hit in the previous session, as the dollar firmed after Federal Reserve Chairman Jerome Powell's U.S economic outlook reinforced views the central bank is on track to steadily hike interest rates.
- Spot gold was largely unchanged at \$1,227.78 an ounce. Yesterday, it fell 1 percent and hit its lowest since last July at \$1,225.58 an ounce. U.S gold futures for August delivery were little changed at \$1,227.80 an ounce.
- The stronger dollar following Powell's comments was weighing on gold prices, Tokyo branch manager at ICBC Standard Bank. Market speculation that the Federal Reserve will be raising U.S interest rates two more times this year continues to heavily support the dollar.
- The dollar was broadly higher today, hitting a six-month peak against the yen, after Powell gave an upbeat outlook for the U.S economy and reinforced views that the Fed was on track to gradually raise rates.
- U.S economy firing on all cylinders, the Fed should ease away from monetary policy accommodation and move interest rates up far enough to prevent unwanted inflation but not so fast that a recession ensues.
- Higher interest rates tend to boost the dollar and push up bond yields, making greenback-denominated gold more expensive for holders of other currencies and denting its appeal. Rising real interest rates impact the opportunity costs of holding gold because the metal provides no yield.
- With the USD on a solid footing, gold prices should stay pressured lower for the foreseeable future as gold has wholly lost its glittering appeal in this enduringly bullish equity and USD environment.

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 initially went sideways during the session yesterday, but then broke down below the \$68 level to show even further weakness. WTI Crude Oil market continues to show signs of exhaustion every time we rally, and most certainly there is far too much in the way of bearish pressure to think that it is going to go much higher. Overall, the market will probably go looking towards the \$65 level, and the \$70 level above will offer a significant amount of resistance. If it breaks down below the \$65 level, the market could unwind even further. With Saudi Arabia releasing more crude oil, and the US dollar strengthening. Brent markets broke down yesterday, but even more importantly than following the WTI market, Brent has broken down through a major uptrend line. But if it can break down below the \$71.50 level, it will probably go down to the \$70 handle next.

Pivot:	67.67		
Support	67.05	66.40	65.85
Resistance	68.45	69.25	69.95

Source: FX EMPIRE

Highlights

- Oil prices fell today after news of a rise in U.S. crude inventories last week
- Oil prices have fallen by almost 10 percent over the last week as crude export terminals in Libya have reopened
- Investors have also begun to worry about the impact on global economic growth
- Fears of shortages, which pushed prices as high as \$80 per barrel, are receding and concerns about looming surpluses growing
- The perception in the oil market seems to be shifting

Crude - Technical Indicators

RSI 14	37.55
SMA 20	70.29
SMA 50	70.33
SMA 100	70.49
SMA 200	70.64

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices dropped today after an industry group reported that U.S. crude inventories rose last week, defying analyst expectations for a significant reduction.
- Brent futures were down 31 cents at \$71.85 a barrel. They rose 32 cents to \$72.16 a barrel, after earlier touching a three-month low. U.S. West Texas Intermediate crude was down 36 cents at \$67.72. It settled up 2 cents at \$68.08 a barrel the session before, coming off a nearly one-month low.
- The benchmarks had steadied after big declines and last week as supply disruptions in Venezuela came to the fore and as analysts had been forecasting a decline of 3.6 million barrels in U.S. inventories for the week through July 13.
- Despite U.S.-China trade tensions, the economic outlook is broadly positive, but a number of headwinds are emerging, not least a stronger dollar, rising inflationary pressures and tightening liquidity.
- Libya reopened its ports and started exporting oil again after the closures of its oil field. The country's National Oil Corporation announced its force majeure on exports from Zawiya oil terminal, in a bid to boosting national production.
- Iran, the world's fifth largest oil producer, filed a lawsuit at the International Court of Justice against sanctions imposed by the U.S. in May, alleging that they violated a 1955 bilateral treaty between the two countries.
- Slowing trade growth will weigh on physical demand for oil, with the shipping, road and air freight sectors an important pillar of demand globally. On the demand-side, intensifying risks over trade tensions could drag on the global economic outlook.

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 broke down significantly during the trading session yesterday, as the US dollar strengthened. This was most certainly a negative tone type of session, and of course Silver took quite a bit of selling pressure. Market participants are certainly negative, but the longer-term investors are looking at this as yet another opportunity to pick up silver. At the longer-term charts, the \$15 level underneath is significant support from the longer-term consolidation. If the US dollar continues to strengthen, this will continue to wear down the silver market. Has for shorting, it would wait for a significant bounce first, as it has certainly seen an overextension of the bearish pressure during the day. The US dollar is the key here. At this point, look for some type of bounce or supportive candle to turn around and start buying again as it continue to see a lot of demand underneath.

Pivot:	15.58		
Support	15.45	15.35	15.26
Resistance	15.68	15.80	15.87

Source: FX EMPIRE

Highlights

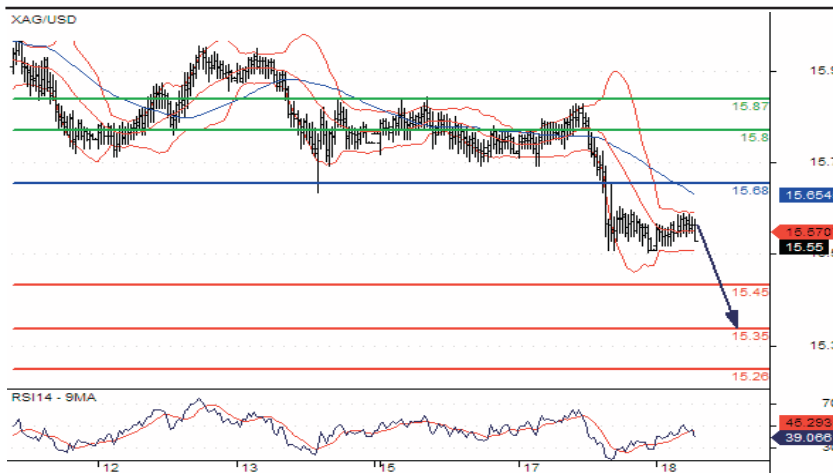
- Silver slipped 0.5 percent to \$15.47 an ounce, after touching \$15.39 per ounce, its lowest since July last year
- The U.S dollar was boosted by Powell's remarks, as was the U.S stock market
- Silver prices are again deflated by upbeat investor attitudes in the world marketplace
- September Comex silver was down \$0.207 at \$15.61 an ounce
- Silver continues to be one of the most commonly traded commodities and highly volatile due to speculation, supply and demand

Silver - Technical Indicators

RSI 14	53.61
SMA 20	16.29
SMA 50	16.28
SMA 100	16.28
SMA 200	16.25

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices are solidly lower and notched new 12-month lows yesterday. The precious metals dropped in conjunction with comments from Federal Reserve Chairman Jerome Powell today that suggested the U.S economy is strong and inflation is tame. Powell's remarks lifted the U.S dollar index to its daily high.
- Silver futures tilted lower to near one-year lows, as the dollar index pulled back from July 11 lows for another session, ahead of Federal Reserve Chair Jerome Powell's second part of his Congressional testimony later today.
- Silver futures due on September 15 shed 0.11% to \$15.60 an ounce from the opening of \$15.62, while the dollar index rose 0.13% to 95.11 from the opening of 94.99.
- Now markets await US housing starts data, expected to have slipped, while building permits are estimated to have risen in June, as Federal Reserve Chair Jerome Powell prepares to present the second half of his Congressional testimony before the House Financial Services Committee, in Washington DC.
- Powell believes inflation will hover around 2% for years to come, with higher food and energy prices boosting consumer prices, while noting that wages have taken an ascending path in recent years, with much more room for further growth.
- Investors also await the release of the Beige Book, which comes two weeks before the Federal Open Market Committee meeting, laying the groundwork for policymakers' decisions and directives.
- Powell presented the first half of his Congressional testimony before the Senate Banking Committee yesterday, where he expressed his belief that the job market will remain strong.

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

Wednesday, July 18, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed July 18	13:30	GBP Consumer Price Index (YoY) (JUN)	High	2.4%	2.6%	2.4%
Wed July 18	13:30	GBP House Price Index (YoY) (MAY)	Medium	3.0%	3.7%	3.5%
Wed July 18	14:00	EUR Euro-Zone Consumer Price Index (YoY) (JUN F)	Medium	2.0%	2.0%	1.9%
Wed July 18	16:00	USD MBA Mortgage Applications (JUL 13)	Medium			2.5%
Wed July 18	17:30	USD Housing Starts (MoM) (JUN)	Medium		-2.2%	5.0%
Wed July 18	17:30	USD Building Permits (MoM) (JUN)	Medium		2.2%	-4.6%
Wed July 18	19:00	USD Fed Chairman Powell Appears Before House Panel	High			
Wed July 18	19:30	USD DOE U.S. Crude Oil Inventories (JUL 13)	Medium			-12633k
Wed July 18	23:00	USD U.S. Federal Reserve Releases Beige Book	Medium			

Source: Forex Factory, DailyFX

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