

Gold

Technical

The weekly pivot this week at last week's close at \$1232.70. The main trend is down according to the weekly swing chart. The gold market isn't even close to turning the main trend to up. However, due to the prolonged break in terms of price and time, there is always the possibility of a closing price reversal bottom. If confirmed, this chart pattern could lead to a short-term counter-trend rally. Gold futures settled lower last week while posting an inside move. This chart pattern tends to indicate investor indecision and impending volatility. The fundamentals are bearish except for the fact that according to U.S government data, money managers are now net short gold futures. This has a tendency to lead to counter-trend movement. Even with the market net short, it's going to take a major shift in the fundamentals to chase out the shorts and bring in the buyers.

Pivot:	1,220		
Support	1,215	1,213	1,211
Resistance	1,224	1,227	1,230

Source: FX EMPIRE

Highlights

- Gold prices edged lower while the dollar was little changed
- The dollar remained unchanged today ahead of several key central bank meetings coming up this week
- The greenback also climbed to a 13-month high versus China's yuan
- The U.S Dollar Index, which tracks the greenback against a basket of other currencies, was traded at 94.47
- Investors added 5,001 contracts to their net short position, bringing it to 27,156 contracts

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 slipped today as the dollar stood tall against its peers ahead of key central bank meetings and U.S inflation and payrolls data this week. Spot gold was down about 0.3 percent at \$1,219.70 an ounce. U.S gold futures were 0.3 percent lower at \$1,219 an ounce.
- The dollar remained broadly supported in Asia against major rivals today, as market participants awaited central bank meetings this week, which could set the near-term course for currencies.
- The dollar-CNH is putting pressure on gold. It has got a lot of central bank meetings this week but the big one for us is probably the FOMC. The Bank of Japan is probably going to move the dollar/yen a bit tomorrow.
- Higher U.S rates tend to boost the dollar and bond yields, making greenback-denominated gold more expensive for other holders and denting bullion's non yielding appeal.
- Hedge funds and money managers increased their net short position in COMEX gold contracts to a record in the week to July 24, U.S Commodity Futures Trading Commission (CFTC) data showed on Friday.
- U.S second-quarter GDP grew at 4.1%, marking the quickest pace of growth since 2014, although its impact on the dollar and gold prices seemed to be limited. Analysts questioned the sustainability of growth, however, as the benefits from fiscal stimulus on economic growth are expected to wane next year.
- The U.S Federal Reserve concludes its policy meeting on Wednesday and is widely expected to reaffirm the outlook for further gradual rate rises, as the market is almost fully priced for a rate hike in September and expects a further move before the end of 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	
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 main trend is up according to the weekly swing chart. A trade through \$72.98 will signal a resumption of the uptrend. The trend will change to down on a move through \$62.99. The market will resume its bullish tone over \$70.70. A bearish tone will develop if sellers can form a secondary lower top. U.S West Texas Intermediate crude oil futures settled higher for the first time in three weeks. The market was primarily supported by the halting of shipments by Saudi Arabia through a key waterway. Additional support was provided by another bigger-than-expected drawdown in U.S crude oil inventories. Concerns about increasing output from Saudi Arabia and other major non-OPEC producers may have kept a lid on prices. Furthermore, there are concerns that lingering trade disputes will lead to lower demand in the second half of the year. The minor trend is also up.

Pivot:	69.85		
Support	69.10	68.80	68.25
Resistance	70.15	70.65	71.20

Source: FX EMPIRE

Highlights

- Oil Prices were mixed as investors digested a strong U.S GDP report and the continued trade concerns between the U.S and China
- Personal spending rose 4.0% in the second quarter, accelerating from 0.5% in the first quarter
- Gasoline stocks fell 2.3 million barrels, still 4% above five-year averages
- US output is up to 11 million bpd for the first time ever
- A US oil services company, reported an increase of 3 in the oil rig count to a total of 861 rigs last week

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 rose today as investors remained cautious over the supply outlook, although the fallout from global trade tensions limited price gains. October Brent crude futures were last up 36 cents at \$75.12 a barrel. U.S crude futures were up 78 cents at \$69.47 a barrel.
- The oil price has been rallying almost uninterruptedly for the past two weeks, in part as trade tensions between the United States and China have heated up, but also as looming sanctions on Iran have already started to curtail flows of oil from the country.
- There are a myriad of factors to follow at the moment in the oil market but one way or the other we always arrive at the same conclusion. It is the impact of the U.S sanctions on Iran that will decide the next \$15 a barrel.
- The best case scenario is that the U.S provides meaningful sanction waivers in the run-up to the mid-term elections and Iran can get away with a loss of around 500-700,000 barrels per day of exports.
- The U.S economy grew at its fastest pace in nearly four years in the second quarter, but with Washington and Beijing at loggerheads over trade, oil prices could struggle this week.
- Saudi Arabia last week said it was suspending oil shipments through the Red Sea's Bab al-Mandeb strait, one of the world's most important tanker routes, after Yemen's Iran-aligned Houthis attacked two ships in the waterway.
- U.S energy companies added three oil rigs in the week to July 27, the first time in the past three weeks that drillers have increased activity, data released on Friday that showed.

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 marked lower during the trading session to reach towards the \$15.60 level before pulling back slightly. If it can break above that level, then the market is probably free to go looking towards the \$15.80 level after that. The market is still very tough to hang onto for the upside, but short-term investors should be used to this. Overall, the market is at the top of the “support zone” that it has been watching on the weekly and monthly chart, as it has been so well supported. Quite frankly, if it break down below the \$15 level it would be very difficult to push this market much lower. The market is trying to build up a “base” in the market so that someday when we take off to the upside most of the physical silver traders will be lined up just above \$15 to profit quite nicely. Short-term investors will continue to be more of the back and forth variety with a bit of a downward bias.

Pivot:	15.41		
Support	15.34	15.30	15.23
Resistance	15.51	15.58	15.67

Source: FX EMPIRE

Highlights

- Silver fell 0.3 percent at \$15.41 per ounce, after hitting a one-week low at \$15.29 in the previous session
- Metal investors will also be monitoring developments in the global trade conflict
- Expectations for higher rates tend to be bearish for silver
- A stronger U.S. currency makes silver and other dollar-denominated commodities more expensive for foreign investors
- Import duties could dampen consumer spending and discourage business investment

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 tilted lower, while the dollar index traded mostly flat with a slight upward lean, ahead of US housing data later today. US personal spending is estimated to have risen 3.1% in the second quarter, up sharply from 0.9% in the first.
- Silver futures due on September 15 dipped 0.31% to \$15.45 an ounce from the opening of \$15.50, while the dollar index barely inched up 0.03% to 94.70 from the opening of 94.67.
- Markets await US pending home sales data, expected to have risen 0.2% in June, compared to a 0.5% drop in May, after recent data showed GDP growth clocked in a 4.1% rate, the fastest since 2014.
- The FOMC is slated to start off its two-day policy meeting tomorrow, with analysts expecting no change in monetary policy, and for interest rates to stay the same at below 2.0%. Asian share markets drifted lower while currencies kept to familiar ranges ahead of a busy week peppered with central bank meetings, corporate results and updates on U.S. inflation and payrolls.
- University of Michigan released the revised reading for its consumer sentiment survey, coming at an unexpected 97.9 for July, up from 97.1 in the preliminary reading, while analysts expected no change.
- The dollar index backed off July 20 highs, following earlier GDP and consumer data from the US, while President Donald Trump lauded the strong performance of the economy after the stellar growth data in a speech.
- US data showed the advance reading for GDP growth at 4.1% in the second quarter, up from 2.0% in the first and missing estimates of 4.2%, while GDP prices rose 3.0%, up from 2.2% in the first quarter and beating estimates of 2.3%.

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, July 28, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon July 30	04:50	JPY Large Retailers' Sales (JUN)	Medium	1.5%	1.6%	-2.0%
Mon July 30	13:30	GBP Net Consumer Credit (JUN)	Medium	1.567b	1.4b	1.57b
Mon July 30	13:30	GBP Net Lending Sec. on Dwellings (JUN)	Medium	3.85B	4.0b	3.8b
Mon July 30	13:30	GBP Mortgage Approvals (JUN)	Medium	65.619k	65.5k	64.684k
Mon July 30	14:00	EUR Euro-Zone Consumer Confidence (JUL F)	Low	-0.6	-0.6	-0.6
Mon July 30	17:00	EUR German Consumer Price Index (YoY) (JUL P)	High		2.1%	2.1%
Mon July 30	19:00	USD Pending Home Sales (YoY) (JUN)	Medium			-2.8%
Mon July 30	19:30	USD Dallas Fed Manufacturing Activity (JUL)	Low		31.0	36.5
Mon July 30	20:30	USD U.S. to Sell USD51 Bln 3-Month Bills	Low			

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