

## Gold

### Technical

Gold markets continue to go back and forth between the \$1280 level underneath, and the \$1300 level above. This consolidation is probably going to be an attempt to build up the kinetic energy to break out above the \$1300 level, which would signify the next leg higher in this market. With that in mind, buying short-term pullbacks because it will get that move. Underneath current trading, it has the 20 day EMA, and of course the top of the uptrend channel as it can see on the chart. That being the case, the market will continue to try to break out to the upside but it also recognize that it probably need some type of catalyst to get going. With the Federal Reserve suddenly seeming less hawkish, it makes sense that Gold would continue to see buyers, but it also shows on the chart that the \$1300 level has been extraordinarily important.

Pivot:	1,210		
Support	1,210	1,160	1,120
Resistance	1,500	1,435	1,365

Source: FX EMPIRE

### Highlights

- Gold futures finished higher yesterday as weakness in global stocks and the U.S dollar
- Spot gold was flat at \$1,291.24 per ounce and U.S gold futures were little changed at \$1,291.3 per ounce
- Investors are still eyeing developments in trade between the United States and China
- Weakness in the buck can help drive appetite in assets priced in dollars, like gold
- It continue to look for higher prices and a breakout above \$1300 is around the corner

### Gold - Technical Indicators

RSI 14	45.44
SMA 20	1,267.2
SMA 50	1,252.1
SMA 100	1,256.3
SMA 200	1,277.8

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold prices were steady today, pressured by a firm dollar on the back of concerns over slowing global growth, but well supported by expectations the U.S Federal Reserve could refrain from raising interest rates this year.
- Asian shares were on the back foot today as surprise falls in China's exports stoked worries about the global economy, while the U.S dollar was marginally higher against its peers.
- Chinese data yesterday showed imports fell 7.6 percent year-on-year in December, while analysts had predicted a 5-percent rise. Exports dropped 4.4 percent, confounding expectations for a 3-percent gain, pointing to further weakening in the world's second-largest economy.
- Market participants think that worries of slowing domestic and global growth as well as tame U.S inflation will make Fed policymakers hesitant to raise interest rates in the world's largest economy.
- Prices for the metal, based on the most-active contracts, tapped an intraday high of \$1,300.40 on Jan. 4, but haven't managed to settle at or above \$1,300 since June.
- A downdraft in stock markets across the globe yesterday was partly behind gold gains to start the week, with China data showing an unexpected decline in imports and exports in December.
- That backdrop has enlivened expectations for higher prices among gold bulls, who believe that purchases of so-called haven commodities among investors will accelerate as riskier assets, including stocks, exhibit more volatility in 2019.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

The WTI Crude Oil market pulled back a bit during the trading session yesterday, reaching down to the \$50 handle. That being the case, it looks like it may form a bit of a hammer, but it is starting to see a little bit of resistance above at the 50 day EMA. Alternately, the 20 day EMA is just below, hovered just underneath the \$50 handle. It's only a matter time before it break out of one of these moving averages, and the market will simply follow what happens next. In other words, if it can break above the \$50 EMA, the buyer should overwhelm the sellers. If it break down below the 20 day EMA, then the sellers will overcome the buyers. Brent markets went back and forth during the trading session yesterday as well, looking to use \$60 as support. The 20 day EMA underneath is also offered support, just as the 50 day EMA above is offering resistance.

Pivot:	51.40		
Support	50.60	50.15	49.30
Resistance	52.60	52.10	51.40

Source: FX EMPIRE

### Highlights

- Oil prices rose by more than 1 percent today amid supply cuts led by producer club OPEC and Russia
- Prices for natural gas jumped by roughly 16% to a more than one-week high
- International Brent crude oil futures were at \$59.80 per barrel, up 81 cents, or 1.4 percent, from their last close
- OPEC-led cuts and declining U.S rig counts have bolstered market sentiment in the New Year
- The outlook for the global economy continues to be highly uncertain

### Crude - Technical Indicators

RSI 14	55.83
SMA 20	48.93
SMA 50	46.53
SMA 100	47.26
SMA 200	51.85

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices inched up today amid supply cuts by producer club OPEC and Russia, although the darkening economic outlook capped gains. The price climb helped to propel oil out of a bear market.
- U.S West Texas Intermediate crude futures were at \$50.78 per barrel, up 27 cents, or 0.5 percent, from their last settlement. International Brent crude oil futures had yet to trade.
- The impact of OPEC+ cuts, Iran sanctions and lower month-on-month growth in U.S production should help to support oil prices. The Middle East dominated producer club of the OPEC and some non-OPEC allies, including Russia, agreed in late 2018 to cut supply to rein in a global glut.
- Meanwhile, the United States last November re-imposed sanctions against Iran's oil exports. Although Washington granted sanctions waivers to Iran's biggest oil customers, mostly in Asia, the Middle Eastern country's exports have plummeted since.
- However, today's slight oil price increases came after crude futures fell by more than 2 percent the previous session, dragged down by weak Chinese trade data which pointed to a global economic slowdown.
- Iranian exports have already fallen sharply and are likely to remain at around 1.3 million bpd in 2019, 1.3 million bpd down vs their 1H18 average. On the demand side, an economic slowdown is looming over oil and financial markets.
- Brent crude oil price forecast by \$16 per barrel, to \$64 per barrel, citing surging U.S production and an increasingly uncertain demand backdrop. Last week, prices for oil futures rose to their highest levels since December.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	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 pulled back slightly over the last several days, as it got close to the psychologically and structurally important \$16.00 level. It has seen an explosion to the upside, so it makes sense that it pull back a little bit to perhaps build up enough momentum to continue rising in value. The \$15 level underneath will now be the “floor”, but it also recognize that the \$15.50 level should offer a bit of support also. The market will eventually try to go above the \$16 level above, but it also recognize that the break out will take a lot of momentum. That’s what this pullback is all about, so that short-term pullbacks can offer opportunities to buy little bits and pieces of silver, as this market does tend to be rather erratic and choppy at times. If it break down below the \$15.00 level, it can give up on the bullish pressure, a lease for the meantime.

Pivot:	15.60		
Support	15.60	15.52	15.45
Resistance	15.82	15.78	15.72

Source: FX EMPIRE

### Highlights

- Silver prices marked up 0.1 percent to \$15.63 per ounce
- The white metal currently trades at \$15.68 per ounce, down 0.4% on the week
- A recession, or even a significant economic slowdown, would drive the pace of debt growth well in excess of 5%
- Exploding U.S debt and a prolonged equity bear market will significantly weaken the U.S dollar
- March Comex silver was down \$0.026 at \$15.63 an ounce

### Silver - Technical Indicators

RSI 14	19.80
SMA 20	17.27
SMA 50	16.72
SMA 100	16.85
SMA 200	16.87

Source: FX EMPIRE

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver futures tilted higher in Asian trade as the dollar index lost ground ahead of US inflation and industrial data later today, and ahead of the crucial UK Brexit vote in Parliament.
- Silver futures due in March rose 0.12% to \$15.71 an ounce, while the dollar index slipped 0.06% to 95.55. Now investors await US producer prices data, expected to show a 0.1% slip in December, compared to a 0.1% increase in November, while estimated with a 2.5% yearly increase.
- Core prices are expected with a 0.2% increase, compared to a 0.3% increase in November, while the Empire State Manufacturing Index is expected at 11.6, up from 10.9 in December.
- Federal Reserve Bank of Kansas City President Esther George is scheduled to speak about the economic outlook and monetary policy later today, while a US government shutdown entered its fourth week, making it the longest such shutdown in US history.
- The U.S government partial shutdown is now the longest on record. The matter is not a serious drag on the marketplace, but many markets are lacking normal economic reports to drive their daily price action, which is causing uncertainty and some anxiety amid the dearth of news, which is generally bearish for those impacted markets.
- Metals markets don't appear to be getting much of a boost due to investor fears over the government shutdown. So far, the standoff between Trump and Democrat leaders has been perceived by investors as more of a sideshow than a genuine threat to the economy.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2018	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Tuesday, January 15, 2019



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tues Jan 15	09:30	JPY Bankruptcies (YoY) (DEC)	Medium	-10.63%		6.05%
Tues Jan 15	11:00	JPY Machine Tool Orders (YoY) (DEC P)	Medium	-18.3%		-17.0%
Tues Jan 15	14:00	EUR German Gross Domestic Product NSA (YoY) (2018)	Medium	1.5%	1.5%	2.2%
Tues Jan 15	18:30	USD Empire Manufacturing (JAN)	Low		11.3	10.9
Tues Jan 15	18:30	USD Producer Price Index Final Demand (MoM) (DEC)	Low		-0.1%	0.1%
Tues Jan 15	18:30	USD Producer Price Index Ex Food and Energy (MoM) (DEC)	Low		0.2%	0.3%
Tues Jan 15	18:30	USD Producer Price Index Ex Food, Energy, Trade (MoM) (DEC)	Low		0.2%	0.3%
Tues Jan 15	19:00	CAD Existing Home Sales (MoM) (DEC)	Medium		-1.0%	-2.3%
Tues Jan 15	20:00	EUR ECB's Draghi Presents 2017 Annual Report in Strasbourg	High			

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
Irfan Ali	(Regional Manager - Faisalabad)	Cell: 0300-7660778	Tel: (+92-41) 2540843-45	irfan.ali@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

G-009, Ground Floor, Packages Mall,  
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 # 134, 3rd 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