

Gold

Technical

Gold markets rallied slightly during the trading session on Tuesday after gapping higher, but quite frankly I think the biggest thing to pay attention to here is the \$1500 level. It looks as if it is attracting money but it would not surprise at all to see this market drift back towards the 50 day EMA which is currently trading just underneath the \$1450 level. At this point, I like the idea of buying gold every time it dips, because it's likely that value hunters will come back in due to central bank monetary policy getting looser by the day. Longer-term we are going to go towards the \$1600 level, and then possibly the \$1700 level. I believe at this point the absolute "floor" in the market is closer to the \$1400 level underneath. Ultimately, I think that the market participants continue to look at gold as a store of value against central bank quantitative easing which seems to be ramping up yet again.

Pivot:	1,497		
Support	1,493	1,488	1,480
Resistance	1,504	1,509	1,512

Source: FX EMPIRE

Highlights

- Investors are waiting for the minutes of the Federal Reserve's July meeting for possible clues on further U.S interest rate cuts
- Traders are also waiting for the U.S Fed's Jackson Hole seminar later this week
- Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.21% to 845.17 tonnes on Tuesday
- The dollar index was flat after drifting away from a three-week high
- Traders see an about 94% chance of a 25 basis-point cut in U.S interest rates in September

Gold - Technical Indicators

RSI 14	43.67
SMA 20	1,383.0
SMA 50	1,383.8
SMA 100	1,386.5
SMA 200	1,392.2

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices were steady today after recovering to above the key \$1,500 an ounce level in the previous session, with investors waiting for the minutes of the Federal Reserve's July meeting for possible clues on further U.S. interest rate cuts.
- Spot gold had inched down 0.1% to \$1,505.42 per ounce. Gold yesterday recovered from a more-than-1% slide the day before, climbing above \$1,500 an ounce again.
- U.S gold futures were flat at \$1,516.20 an ounce. Investors are now focused on the minutes of the Fed's most recent meeting, which are due today. They are also waiting for the central bank's Jackson Hole seminar later this week and a Group of Seven summit this weekend for clues on what additional steps policymakers may take to boost economic growth.
- Traders see an about 94% chance of a 25 basis-point cut in U.S. interest rates in September. SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, said its holdings rose 0.21% to 845.17 tonnes yesterday.
- The dollar index, which measures the greenback's value against a basket of six major currencies, was flat after drifting away from a three-week high hit on Monday.
- U.S. President Donald Trump on Tuesday said he had to confront China over trade even if it caused short-term harm to the U.S. economy because Beijing had been cheating Washington for decades.
- U.S Secretary of State Mike Pompeo said yesterday the U.S was not sending "mixed messages" on Huawei Technologies, and he does not believe a U.S blacklist of the Chinese telecommunications giant will block a trade deal with Beijing. Earlier, the U.S extended a reprieve that permits Huawei to buy components from U.S companies to supply existing customers.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2019	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2019	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2019	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2019	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2019	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market initially tried to rally but found enough resistance near the 50 day EMA yet again to turn the market around and have it reaching towards the \$55 level. This is a market that should continue to show a lot of negativity as global demand for crude oil is falling. The \$55 level of course offers certain amount of psychological comfort, but I do think that we will break through it and then go down through the \$54 level. At that point, I think the market probably goes looking towards the \$52.50 level after that. Rallies at this point are still to be sold. Brent markets also tried to rally during the trading session early on Tuesday but continues to find a lot of resistance above. It's not the 50 day EMA this time, is the round figure of \$60. That's an area that of course has attracted a lot of attention in the past.

Pivot:	56.34		
Support	55.90	55.60	55.20
Resistance	56.85	57.10	57.35

Source: FX EMPIRE

Highlights

- U.S crude stocks fell last week while gasoline inventories decreased, data from industry group the API showed
- Crude inventories fell by 3.5 million barrels in the week to August 16 to 439.8 million
- Crude prices should see support from a bullish API stockpile report
- Inventory numbers from the government's Energy Information Administration (EIA) are due later today and will be closely watched
- Oil prices were also supported by data showing lower exports in June from Saudi Arabia

Crude - Technical Indicators

RSI 14	37.13
SMA 20	56.04
SMA 50	56.50
SMA 100	56.77
SMA 200	57.01

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Crude oil futures rose today in Asian trading session after industry data showed a larger-than-expected drop in U.S crude inventories, but lingering worries about a possible global recession capped gains.
- U.S crude was up 3 cents, or 0.05%, at \$56.16 a barrel. U.S crude oil stocks fell by 3.5 million barrels in the week to Aug. 16, data from industry group the American Petroleum Institute (API) showed on Tuesday. Analysts polled by Reuters had expected a fall of 1.9 million barrels.
- Crude prices should see support from a bullish API stockpile report that could signal the largest Cushing draw since February 2018, if the EIA validates it. Inventory numbers from the government's Energy Information Administration (EIA) are due later today and will be more closely watched than usual given the nearing of the end of peak U.S driving season.
- Private oil inventory data in the U.S showed a medium-sized draw on crude last week, which was only partly counterbalanced by product storage increases and continues to hint at tight crude fundamentals.
- Tensions in the Middle East remained in the spotlight as U.S. Secretary of State Mike Pompeo said on Tuesday the United States would take every action it can to prevent an Iranian tanker in the Mediterranean from delivering oil to Syria in contravention of U.S. sanctions.
- Oil prices were also supported by data showing lower exports in June from Saudi Arabia, the world's top oil exporter. Saudi Arabia plans to keep its crude exports below 7 million barrels per day (bpd) in August and September despite strong demand from customers to bring the market back to balance, a Saudi oil official told Reuters earlier this month.
- But uncertainty over the global economic outlook amid the U.S-China trade war capped gains in the oil markets.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2019	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2019	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2019	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2019	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2019	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets continue to show signs of life, as we have rallied quite nicely during the trading session on Tuesday, but we still find ourselves dancing around the \$17.00 level. That is an area that of course attracts a lot of attention, but I do think that the market is bullish regardless. Central banks around the world continue to ease monetary policy so that of course has precious metals going higher. At this point, I think a pullback is probably a nice buying opportunity based upon value. The 50 day EMA underneath is at roughly \$16.15, and it looks like we are going to see that EMA reach towards the \$16.50 level, an area that should naturally be supportive anyway. If we can break above the \$17.50 level, then I think it's very likely that the market continues to go towards the \$18.00 level. Ultimately what we are going to see is value hunting coming back in, as we have the Jackson Hole Symposium going on this week.

Pivot:	17.06		
Support	16.96	16.91	16.83
Resistance	17.14	17.19	17.24

Source: FX EMPIRE

Highlights

- Silver climbed with a slide in U.S Treasury yields helping the metal recoup more than a third of what it lost a day earlier
- September silver picked up 20.8 cents, or 1.2%, to \$17.148 an ounce, following a 1.1% loss a day earlier
- The 10-year Treasury note yield was down about 4.5 basis points
- Investors are worried that economic warnings signs point to a coming recession in the U.S
- Minutes from the Federal Reserve's July 31 rate-setting committee will be watched today

Silver - Technical Indicators

RSI 14	45.92
SMA 20	15.36
SMA 50	15.37
SMA 100	15.41
SMA 200	15.44

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices were modestly up in yesterday's trading session. Monday's price weakness was seen to be a buying opportunity in the safe-haven metals. Still, upbeat trader and investor attitudes early this week are limiting the upside.
- Global stock markets were steady to firmer yesterday while, U.S stock indexes were slightly down. Slowing world economic growth, geopolitics that sees some hotspots and worrisomely low global inflation are all still lingering, heading into what can be turbulent trading months of September and October.
- President Trump continues his assault on the Federal Reserve, on Monday saying the central bank has shown a "horrendous lack of vision." Later this week the annual Jackson Hole, Wyoming Federal Reserve confab that sees central bankers of the world attending will be extra closely monitored by the marketplace. Fed Chairman Powell speaks to the gathering Friday.
- U.S yields fell on increasing expectations for looser monetary policy to address fears of a global downturn. People are kind of looking to buy dips ahead of the Federal Reserve's minutes coming out and what news will come out at Jackson Hole.
- Investors will closely scan the minutes from the U.S Fed's July policy meeting due on Wednesday, with focus on the central bank's Jackson Hole seminar and the Group of Seven summit this week.
- Lower U.S interest rates put pressure on the dollar and bond yields, increasing the appeal of non-yielding gold and silver. Participants will be eager to hear what Fed Chairman Jerome Powell has to say about the future of interest rates, especially now that the bond market has already driven yields sharply lower on the long end.
- The shift in sentiment towards riskier assets contributed to a more than 1.2% drop in gold prices on Monday, its biggest daily percentage decline in a month.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2019	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2019	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2019	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2019	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2019	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Thursday, August 22, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Aug 22		U.S Annual Fed Policy Symposium in Jackson Hole (Day 1)	High			
Thu Aug 22	04:00	CBA Australia PMI Composite (AUG)	Medium	49.5		52.1
Thu Aug 22	05:30	Nikkei Japan PMI Manufacturing (AUG)	Medium	49.4		49.4
Thu Aug 22	12:30	Markit/BME Germany Composite PMI (AUG)	Medium	51.4	50.6	50.9
Thu Aug 22	13:00	Markit Eurozone Composite PMI (AUG)	Medium	51.8	51.2	51.5
Thu Aug 22	17:30	U.S Initial Jobless Claims (AUG 17)	Medium		218k	220k
Thu Aug 22	18:45	Markit US Composite PMI (AUG)	Medium			52.6
Thu Aug 22	19:00	U.S Leading Index (JUL)	Medium		0.2%	-0.3%
Thu Aug 22	19:00	Euro-Zone Consumer Confidence (AUG)	Medium		-7	-6.6

Source: Forex Factory, DailyFX

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