

Gold

Technical

Gold prices moved lower yesterday dropping more than 1%. The decline in the price of the yellow metal comes after a stronger than expected jobless claims report. Prices held just above support near the 10-day moving average at 1,320. The Federal Reserve of course is very soft, and Gold would rise as not only the Federal Reserve is soft, but it also have several banks around the world buying it. At this point, the \$1300 level underneath is a bit of a “floor”, and if it break down below there. Short-term momentum has turned negative. The 50 day EMA is just below there, so technically it should be buying opportunities. The market looks very likely to head towards the \$1400 level over the longer-term, but that doesn't mean it is going to be easy to hang onto.

Pivot:	1,332		
Support	1,321	1,314	1,309
Resistance	1,341	1,336	1,332

Source: FX EMPIRE

Highlights

- Gold fell 1.3% to \$1,330.5 an ounce, with a session-high at \$1,344.3, and a low at \$1,330.3
- The economic picture remains unclear, however, some members still believe in a hike if inflation rose above 2%
- A firming dollar and sharply rising bond yields were also reasons for a big drop of gold
- The dollar index rose 0.1% to 96.6, with a session-high at 96.6, and a low at 96.3
- Gold tried to rally and failed at the top end of the range and had a small loss after being higher most of the day

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 slipped from a 10-month peak yesterday, pressured by signals the U.S Federal Reserve will not adopt as dovish a stance on monetary policy as previously thought and as investors booked profits.
- Spot gold fell 1 percent to \$1,324.70 per ounce, having hit \$1,346.73 in the previous session, its highest since April 19. U.S gold futures settled down about 1.5 percent at \$1,327.80.
- The Fed said the U.S economy and its labour market remained strong, prompting some expectations of at least one more rate hike this year. Higher rates tend to weigh on non-yielding gold.
- Gold rallied too far too fast on the dovish shift in the Fed's tone earlier this year and became overbought into the mid \$1,300s and without the support of a weaker dollar or depressed yields, the gold bid disappeared today.
- Gold fell today as dollar rose against a basket of main rivals following the Fed's meeting minutes. On the technical front, gold was within striking distance of the much-discussed \$1,350-level, a key resistance over the years, but has failed to breach it.
- The market is troubled by lack of supply at a time when emissions standards are being tightened and any correction at this stage will be looked upon as a potential buying opportunity.
- Gold was due for a correction as the current rally was getting very extended. The Federal Reserve's minutes for the January meeting reveal that policymakers are ready to hike rates if the economy performed as expected.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2018	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 has stalled yesterday as it run into major resistance. It looks as if the market is going to continue to struggle going forward, but eventually it break out. The markets are paying more attention to the fact that Saudi Arabia is cutting production, and of course the US dollar has been falling overall which causes bullish pressure as well. Brent markets also pulled back just slightly during the trading session as it has run into some resistance, but it's very likely that it will continue to see buying pressure underneath. Crude oil will reach towards the 200 day exponential moving average, and of course the \$60 level in the Brent market. The massive support start near the \$55 level, which has previously been massive resistance. That support extends down to the \$52.50 level.

Pivot:	57.20		
Support	56.60	56.10	55.65
Resistance	58.00	57.60	57.20

Source: FX EMPIRE

Highlights

- Crude prices pulled back from their highest levels of 2019 on hopes that oil supplies will balance later this year
- US crude down after the fifth US weekly crude build in a row in inventories
- The continued surge in U.S production stands as a bearish dynamic for market prices
- All in all the report is bearish, in particular the strong increases in crude oil stocks
- Distillate stockpiles, which include diesel and heating oil, fell by 1.5 million barrels, versus expectations for a 1.7 million-barrel drop

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 fell below 2019 highs yesterday after U.S government data showed a fifth weekly build in crude inventories and record production, while concerns about slowing global economic growth weighed.
- US West Texas Intermediate crude oil futures fell 13 cents to \$57.03 a barrel after touching a 2019 high of \$57.55 the previous day. Brent crude futures fell 1 cent to \$57.07 after touching a 2019 peak on Wednesday at \$67.38.
- U.S crude oil stockpiles rose for a fifth straight week to the highest in more than a year, as production hit a record high and seasonal maintenance kept refining rates low last week.
- U.S crude stocks rose 3.7 million barrels in the week to Feb. 15, to 454.5 million barrels, the highest since October 2017, even as crude exports surged 1.2 million barrels per day to a record 3.6 million bpd.
- U.S weekly crude production edged higher to a record 12 million barrels per day. Net U.S crude imports rose marginally last week by 69,000 bpd, as exports surged 1.2 million bpd to a record 3.6 million bpd.
- OPEC production has also been declining as a result of U.S sanctions on the oil industries of cartel members Iran and Venezuela, both of which were exempted from the latest production-cut deal.
- Refinery utilization rates remained unchanged at 85.9 percent of total capacity as refinery crude runs fell by 57,000 bpd, holding at their lowest since October 2017. Gasoline stocks fell by 1.5 million barrels, compared with expectations for a 350,000-barrel drop.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2018	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 have pulled back just a bit during the trading session yesterday, as the \$16 level has offered significant resistance, not only based upon previous action, but the fact that it is a large, round, psychologically significant figure. The US dollar rallied slightly during the day, as precious metals would pull back a bit. During the US session it has a little bit of bullish pressure, so it could be thought of as potential value. That value will more than likely be favorable for most investors, and therefore will more than likely find plenty of buying pressure. There is a lot of noise that it will eventually see that broken and perhaps silver will go to the \$17 level. The 50 day EMA crossing the 200 day EMA underneath show signs of significant bullish pressure, and of course the trend line has held quite nicely. The Federal Reserve looking very soft, it makes sense that silver will rally.

Pivot:	15.91		
Support	15.76	15.67	15.62
Resistance	16.04	15.98	15.91

Source: FX EMPIRE

Highlights

- Silver prices fell about 1.7 percent to \$15.76 an ounce
- Silver also tried to break out and failed at \$16.20, which was a double top
- A stable U.S dollar index is also working in favor of the precious metals market bears
- The benchmark 10-year Treasury yield was up over 3 basis points at 2.686 percent
- March Comex silver was last down \$0.352 at \$15.825 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 prices are sharply down on heavy profit taking by the short-term futures investors following recent good gains. Technically, markets are seeing downside technical corrections, which are not unexpected. While silver futures closed at a seven-month high close.
- Silver retreated today as the dollar index rose, weighing on metals, and amid US-China trade negotiations. The Federal Reserve's minutes for the January meeting reveal that policymakers are ready to hike rates if the economy performed as expected.
- Silver fell 2.3% to \$15.801 an ounce, with an intraday high at \$16.08, and a low at \$15.77. The dollar index rose 0.1% to 96.6, with a session-high at 96.6, and a low at 96.3.
- However, the economic picture remains unclear, however, some members still believe in a hike if inflation rose above 2%. The U.S dollar index near steady after seeing a corrective pullback this week after hitting a two-month high last Friday.
- The marketplace has mostly digested the Federal Reserve's Open Market Committee meeting minutes, released Wednesday afternoon. The minutes expressed some more concern regarding risks to U.S economic growth, which the Fed says has moderated in recent months.
- The Fed saw few risks in leaving U.S monetary policy steady, at present. The minutes also said the Fed will exercise patience on future interest rate hikes. Markets showed no significant price reactions to the report.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2018	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2018	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2018	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2018	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2019	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Friday, February 22, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Feb 22	04:30	JPY National Consumer Price Index (YoY) (JAN)	High	0.20%	0.20%	0.30%
Fri Feb 22	06:30	CNY New Home Prices (MoM) (JAN)	Medium	0.61%		0.77%
Fri Feb 22	12:00	EUR German Gross Domestic Product n.s.a. (YoY) (4Q F)	Medium	0.90%	0.90%	0.90%
Fri Feb 22	12:30	CHF Industrial Output w.d.a. (YoY) (4Q)	Medium	5.10%		1.40%
Fri Feb 22	14:00	EUR German IFO Business Climate (FEB)	Medium	98.5	98.9	99.3
Fri Feb 22	14:00	EUR German IFO Expectations (FEB)	Medium	93.8	94.2	94.3
Fri Feb 22	15:00	EUR Euro-Zone Consumer Price Index (MoM) (JAN)	Medium	-1.00%	-1.10%	0.00%
Fri Feb 22	18:30	CAD Retail Sales (MoM) (DEC)	Medium		-0.30%	-0.90%
Fri Feb 22	20:30	EUR ECB President Draghi Speaks in Bologna, Italy	High			

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	(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
Inamullah Shakir	(Commodity Trader - Karachi)	Cell: 0341-2110152	Tel: (+92-21) 35297248	inam.ullah@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) 35777863-70, 38303559-68
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