

Gold

Technical

Gold futures succumbed to pressure from a stronger dollar, increased demand for higher risk assets and the easing of geopolitical concerns to close lower at the end of the week. Based on the close at \$1327.30, the short-term direction of the market is likely to be determined by market reaction to the Fib level at \$1331.60. A trade through \$1312.40 will change the main trend to down. This is followed by another main bottom at \$1309.30. A move through \$1362.60 will negate the reversal top and signal a resumption of the uptrend with potential targets main tops at \$1369.60 and \$1375.50. The short-term range is \$1312.40 to \$1362.60. Its retracement zone at \$1331.60 to \$1337.50 is the first layer of resistance. Its retracement zone at \$1342.40 to \$1350.20 is the primary upside target. A sustained move under \$1331.60 will indicate the presence of sellers.

Pivot:	1,323		
Support	1,317	1,313	1,307
Resistance	1,328	1,333	1,340

Source: FX EMPIRE

Highlights

- Gold prices settled lower, building a weekly loss as easing concerns over a potential trade war and a rise in U.S stocks
- The contract fell 2.1% for the week, though gained roughly 0.7% for the quarter
- Based on the most-active contract close of \$1,309.30 at the end of 2017, gold futures rose 1.4% for the quarter and year to date
- China imposes tariffs of up to 25 pct on 128 U.S goods, whereas gold snaps three-day losing streak
- A weaker dollar is also in the interests of the Trump administration, and its well for gold

Gold - Technical Indicators

RSI 14	33.74
SMA 20	1,263.6
SMA 50	1,291.6
SMA 100	1,287.1
SMA 200	1,300.1

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices rose as the dollar eased amid renewed concerns over a trade war after China imposed extra tariffs on U.S products in response to U.S duties on imports of aluminium and steel.
- After falling in the past three trading sessions, spot gold edged up 0.4 percent to \$1,329.24 per ounce. China has slapped extra tariffs of up to 25 percent on 128 U.S products including frozen pork, as well as wine and certain fruits and nuts, in response to U.S duties on imports of aluminium and steel.
- The trade war is going on and it is getting worse, so that might be the reason that people are selling dollar and buying gold. It fell 1.7 percent last week in its biggest such drop since early December.
- Precious metal climbed 1.7 percent in January-March, posting its third straight quarterly gain. U.S gold futures rose 0.4 percent to \$1,333.10 an ounce. Gold speculators raised their net long position by 50,996 contracts to 172,834 contracts.
- The U.S dollar which measures the greenback against six other major currencies, eased 0.2 percent to 89.988. Hedge funds and money managers increased their net long positions in COMEX gold contracts in the week to March 27, U.S Commodity Futures Trading Commission data showed on Friday.
- Despite its recent countertrend rally, the U.S. dollar remains in bear mode, and hasn't been able break its longer-term downtrend. But gold will "eventually break through" the \$1,370 level of resistance.
- At the same time, trade tensions have eased, weighing on demand for gold as a haven asset. The Trump administration's tough tariff proposals on steel and aluminum have faded away with the granting of exemptions to countries that accounted for about 85% of imports.

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

Based on last week's close at \$64.94 and the recent price action, the direction of WTI crude oil this week is likely to be determined by market reaction to the uptrending Gann angle at \$64.00. May West Texas Intermediate Crude Oil futures started the week on a high note, hitting a new high for the year. However, profit-takers came in on the move to drive prices lower for the week. The problem may have been that the recent rally was fueled by speculation that the OPEC-led production cuts would be extended into 2019, but the selling was driven by real numbers like bigger-than-expected inventories according to the American Petroleum Institute and the U.S. Energy Information Administration. Last week's trade through \$66.02 confirmed the uptrend. However, the weekly closing price reversal top may have signaled a shift in momentum to the downside.

Pivot:	64.90		
Support	64.45	64.15	63.70
Resistance	65.25	65.58	65.95

Source: FX EMPIRE

Highlights

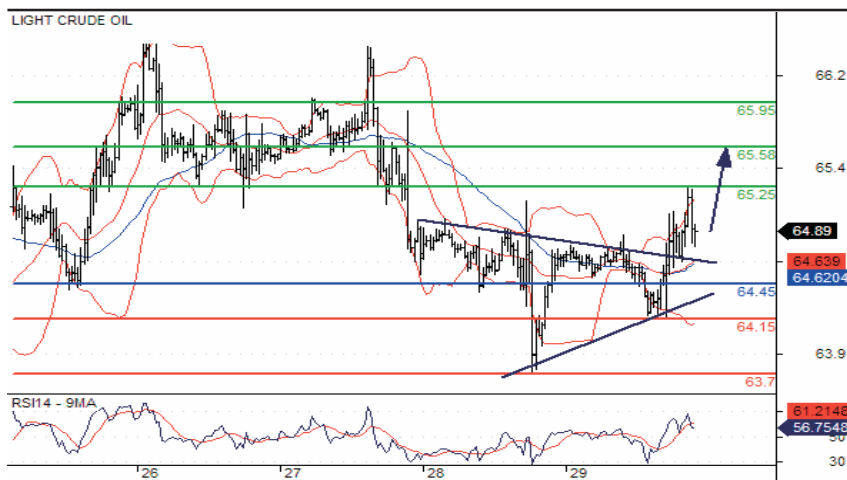
- Crude oil is hanging onto Friday's gains and holding as the Easter holidays wear off as WTI trades near 65.10 per barrel
- Crude markets were boosted into the new week by a slight decline in American oil production
- Oil pressure is the market-wide fears of a trade war between the US and China
- A surge in drilling since 2016 has pushed up U.S. crude production to 10.43 million barrels per day
- The Iraqi cabinet approved a plan to raise the nation's crude oil output capacity to 6.5 million bpd by 2022.

Crude - Technical Indicators

RSI 14	31.91
SMA 20	48.72
SMA 50	48.27
SMA 100	51.11
SMA 200	56.32

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices lifted by a drop in drilling activity in the United States as well as by expectations that Washington could re-introduce sanctions against Iran. Meanwhile, oil markets remained nervous about whether or not the U.S. administration will scrap or maintain the fragile nuclear deal with Iran.
- U.S. WTI crude futures were at \$65.20 barrel, up 26 cents, or 0.4 percent, from their previous settlement. Brent crude futures were at \$69.78 per barrel, up 44 cents, or 0.6 percent. Shanghai September crude futures were at 416.7 yuan (\$66.39) per barrel, up 1.1 percent.
- Oil prices were also supported by a weekly report that there was a drop in activity of drilling for new oil production in the U.S. Drillers there cut seven oil rigs in the week to March 29, bringing the total count down to 797, General Electric Co's Baker Hughes energy services firm.
- Oil prices have generally been supported by supply restraint led by the Organization of the Petroleum Exporting Countries (OPEC) and Russia, which started in 2017 in order to rein in oversupply and prop up prices.
- Despite this, Russian oil output rose in March to 10.97 million bpd in March, up from 10.95 million bpd in February, putting Russia ahead of the U.S. as the world's biggest crude producer.
- WTI Crude Oil initial target is \$65.50, followed by the \$66 handle, further up \$66.66 is the high of 2018. If the bulls can't break above \$65.50 supply zone in the next sessions, the pullback down may continue and \$63.81 swing low becomes the support.
- Overall rig count remains well over 200 and any further price gains are going to be limited as oil traders continue to nervously await a resolution to the current Iran tensions that could see the US bin their nuclear agreement with the Middle East country.

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 were choppy again during trading this past week, ultimately settling on a negative candle. Markets initially tried to rally, but then rolled over near the \$16.75 level to form a negative candle. The market has plenty of support underneath, starting at the \$16 level, and reaching down to the \$15.50 level. Economists says that ultimately this support of level will continue to hold, so that if we drop from here, there should be buyers involved. Market players like buying dips, as we continue to see such reliable support in that area. If we did breakdown below the \$15.50 level, but that seems unlikely considering how reliable it's been. But it also recognize that if it break above the \$16.75 level, extensively the top of the overall range for the week, then market may could go to the \$17.50 level. So in the meantime short-term traders will continue to scalp this market.

Pivot:	16.34		
Support	16.19	16.09	16.00
Resistance	16.43	16.55	16.66

Source: FX EMPIRE

Highlights

- U.S dollar eased amid fresh concerns of trade tensions between the United States and China
- China has slapped extra tariffs of up to 25 percent on 128 U.S products
- Hedge funds and money managers upped their net long position
- China has denied that its laws require technology transfers and has threatened to retaliate against any U.S tariffs with trade sanctions of its own
- Fears have arisen that the two countries will spiral into a trade war, while there have been contacts between senior members

Silver - Technical Indicators

RSI 14	37.92
SMA 20	16.60
SMA 50	17.09
SMA 100	17.05
SMA 200	16.83

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Bullish commodity prices, especially silver, extended some support to commodity-linked currencies, which coupled with a subdued U.S dollar demand helped limit any further downside amid thin liquidity conditions.
- The U.S dollar which measures the greenback against six other major currencies, eased 0.3 percent to 89.928. China has slapped extra tariffs of up to 25 percent on 128 U.S. products including frozen pork, as well as wine and certain fruits and nuts, in response to U.S. duties on imports of aluminium and steel.
- U.S President Donald Trump said on Thursday he may hold up a trade agreement reached with South Korea until after a deal is reached with North Korea on denuclearization.
- Russia expelled 60 U.S diplomats on Thursday and announced it would eject scores from other countries that have joined London and Washington in censuring Moscow over the poisoning of a spy.
- International mining firms including Glencore and Randgold on Thursday proposed a sliding scale for royalty rates on key commodities mined in Democratic Republic of Congo as an alternative to a windfall tax. There was an easing of tensions in the Far East regarding North Korea, but there's still tension between the West and Russia, this can boil over again and support silver.
- Silver was up 0.25 percent at \$16.30 per ounce after falling to \$16.20, a one-week low. Silver was on track to post a quarterly loss of 3.7 percent after two quarters of modest gains.
- A global trade war have eased but that does not mean it is over, said Brian Lan, managing director at dealer silver Central in Singapore. Often seen as an alternative investment at times of political and financial uncertainty, silver was on track for a third straight quarter of gains.

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, April 02, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon April 02	06:00	AUD TD Securities Inflation (YoY) (MAR)	Medium	2.1%		2.1%
Mon April 02	06:45	CNY Caixin China PMI Mfg (MAR)	Medium	51.0	51.7	51.6
Mon April 02	18:30	CAD RBC Canadian Manufacturing PMI (MAR)	High			55.6
Mon April 02	18:45	USD Markit US Manufacturing PMI (MAR F)	Low		55.7	55.7
Mon April 02	19:00	USD Construction Spending (MoM) (FEB)	Medium		0.4%	0.0%
Mon April 02	19:00	USD ISM Manufacturing (MAR)	High		60.0	60.8
Mon April 02	19:00	USD ISM Employment (MAR)	High			59.7
Mon April 02	19:00	USD ISM Prices Paid (MAR)	Medium		72.5	74.2
Mon April 02	19:00	USD ISM New Orders (MAR)	Low			64.2

Source: Forex Factory, DailyFX

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