

Gold

Technical

Gold markets rallied yesterday, reaching towards the \$1340 level before pulling back slightly. The market looks likely to find buyers underneath, in a bid to find value. Economists believe that the \$1350 level will be the target, but it eventually break above there and continue to grind towards the \$1375 level. Longer-term, the market will continue to try to reach the \$1400 level, which is a crucial level on the longer-term charts. If it can clear that level, the gold market is very likely to go looking towards the \$1800 level, followed by the \$2000 level. Pullbacks continue to offer plenty of value, and that the \$1325 level should be supportive. Of trade wars the last thing anybody wants, so riskier assets such as the precious metals markets are highly influenced by what happens there. The volatility in this market will continue because of the problems between the United States and China.

Pivot:	1,341		
Support	1,331	1,326	1,323
Resistance	1,348	1,356	1,361

Source: FX EMPIRE

Highlights

- Gold futures marked up a third session to settle at 1- week high
- Inflation numbers were little higher than anticipations, have dented momentum but not turned gold negative
- June gold rose \$5.80, or 0.4%, to settle at \$1,345.90 an ounce, marked its highest settlement since April 2
- Geopolitical uncertainty is keeping a floor under range-bound gold
- Gold prices rose as the dollar index hovered near two-week lows

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 early today as the dollar index hovered near two-week lows, with markets awaiting key U.S inflation data and minutes from the Federal Reserve's March meeting.
- Spot gold was on track for a fourth straight session of gains, up 0.2 percent at \$1,341.26 an ounce. Prices earlier rose to a one-week high of \$1,342.64 an ounce. U.S gold futures were unchanged at \$1,346 an ounce.
- The US dollar measures the greenback against six other major currencies, was steady at 89.567, not far from a two-week low of 89.544 hit yesterday. U.S producer prices increased more than expected in March, boosted by rising healthcare and food costs, pointing to a steady buildup of inflation pressures.
- Chinese President Xi Jinping promised to open the country's economy further and lower import tariffs on products like cars, in a speech seen as an attempt to defuse an escalating trade dispute with the United States. Whereas, U.S President Donald Trump welcomed Xi's promise to open China's economy further, expressing confidence the world's two largest economies would come through an ongoing trade spat and make great progress together.
- The U.S economy likely expanded at a 2.0 percent annualized rate in the first quarter in the wake of the March payrolls data released on Friday. The Trump administration has threatened tariffs on up to \$150 billion of Chinese products.
- Gold futures marked a third straight session of gains yesterday, buoyed by a weaker U.S dollar and uncertainty surrounding U.S reaction to a possible chemical-weapons attack in Syria.
- Prices for the precious metal climbed even as global investors piled back into riskier assets, such as U.S stocks, after comments out of China soothed trade-war fears.

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

Crude oil markets rallied significantly during the trading session yesterday, slicing through the \$65 level. It seems to go towards the \$66 level above, which was the recent highs. If it can break above there, then this rally extends quite nicely. It shows to get a short-term pullback between now and then though, and a lot of this will be due to the situation between the Americans and Chinese cooling-off a bit early during the day. Pullbacks should bring buying opportunities if it can stay above the \$64 level. Brent markets also rallied, breaking above the \$70 handle. This was an area of resistance extending to the \$71 level, so if it did break above the \$71 level, the market is likely to go much higher. There is still an uptrend line on the daily chart that has been respected, so it's not until we break down below that uptrend line. Moreover, if U.S dollar continues to fall that should continue to lift oil.

Pivot:	65.32		
Support	64.35	63.70	63.20
Resistance	66.55	67.35	67.85

Source: FX EMPIRE

Highlights

- Crude oil dips on rising U.S supplies whereas market still tensed on conflict in Syria
- May WTI crude oil rose \$2.09 or 3.3%, to settle at \$65.51 a barrel on the New York Mercantile Exchange, the highest finish since March 26
- Domestic crude oil production in 2019 is expecting to rise by more than previously expected
- OPEC would continue to with hold supply in order to tighten markets and prop up the oil prices
- The reducing risk of a trade war and the rising risk of a real war in Syria accounted for the large move up

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 eased away from 2014 highs reached the previous session as escalating Middle East tensions were offset by increasing inventories and production in the United States.
- Brent crude futures fell to \$70.80 per barrel, down 23 cents or 0.3 percent from their last close. Brent surged more than 3 percent yesterday to hit its highest level since late 2014, at \$71.34 a barrel. U.S. WTI crude futures were at \$65.40 a barrel, down 11 cents or 0.2 percent from their last settlement.
- Oil prices edged higher, adding to steep gains in the previous session, as markets eyed an escalation of Middle East tensions after Europe's air traffic control agency warned of possible air strikes on Syria in the next 72 hours. Oil markets were also supported by easing concerns over a prolonged trade spat between the United States and China after China's President Xi Jinping yesterday gave a speech with a conciliatory tone.
- In its monthly short-term energy outlook, it forecast that U.S crude oil output will rise by 750,000 barrels per day to 11.44 million bpd next year. Last month, it expected a 570,000 bpd year-over-year increase to 11.27 million bpd.
- The relaxation of tensions between the U.S and China allowing oil traders to exercise their worries over geopolitics. Not all oil market indicators pointed to ongoing price rises.
- U.S crude inventories rose by 1.8 million barrels in the week to April 6 to 429.1 million, according to a report by the American Petroleum Institute (API), compared with analyst's expectations for a decrease of 189,000 barrels.
- The U.S Energy Information Administration (EIA) said yesterday that it expects domestic crude oil production in 2019 to rise by more than previously expected, driven largely by growing U.S shale output.

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 rallied a bit during the trading session yesterday, reaching towards the \$16.60 level before pulling back slightly. However, there is more than enough support underneath in my estimation to keep this market afloat, and if it can keep a "risk on" attitude overall, then the Silver markets will go looking towards the \$16.75 level above, and then eventually the \$17.00 level. Economists believe that longer-term it will eventually rally and breakout of what has been consolidation for months instead of short-term, but it's going to take a significant amount of momentum to finally break above the resistance areas above. However, this is a short-term trading environment in less can buy physical silver as a longer-term investment. Market players believe that the "floor" in the market is closer to the \$50.50 level, extending down to the \$15 level under there.

Pivot:	16.55		
Support	16.41	16.33	16.24
Resistance	16.66	16.78	16.86

Source: FX EMPIRE

Highlights

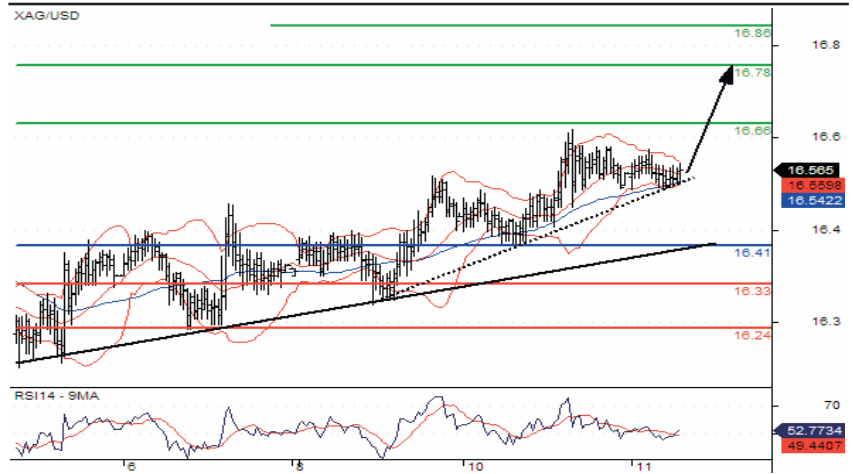
- Silver increased 0.3 percent to \$16.60 an ounce and it might hit the \$20 level
- Silver markets showed the signs of life and started to see buyers come in
- Buyers are at "risk on" move as trade tensions between the United States and China are starting to drift a bit lower
- This is a short-term trading environment, but physical silver can also buy as a longer-term investment
- Recent price action has been solidly bullish for silver and solidly bearish for the dollar

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

- The U.S dollar has had three straight days of consistently lower pricing. The recent gains in silver, as well as the declines in the dollar, have run in tandem with the current risk-on environment that favors U.S equities over other asset classes, such as fixed income and safe-haven.
- Although it is not at the forefront of market sentiment, the looming trade dispute between the United States and China continues to pressure the dollar and be supportive of silver.
- Based on our technical studies, silver pricing has much more room on the upside, and reciprocally the dollar has more room to fall. The US Dollar is currently trading down 20 points (-0.23%) at 89.33. Major support for the dollar does not occur until 88.58.
- Another explanation for the contraction of opening and closing price range is that recent gains have been in tandem with an extremely strong inclination to favor the risk-on asset class.
- The uncertainty encompassing potential actions by the United States regarding Syria's use of chemical weapons on its own citizens has been a critical component in the recent price advance of silver.
- The range between the daily opening price and the corresponding closing price has narrowed over the last two trading days. This indicates that although the market maintains a bullish demeanor, market sentiment is not entirely onboard and continues to have a 'wait and see' attitude.
- Recent lows in the dollar since January of this year have occurred at this price point. At the same time, the dollar has had a series of higher lows when trading to this critical support level and also had lower highs when trading at the upper level of the range which is creating a compression triangle.

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

Wednesday, April 11, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed April 11	06:30	CNY Consumer Price Index (YoY) (Mar)	High	2.1%	2.6%	2.9%
Wed April 11	13:30	GBP Industrial Production (YoY) (Feb)	Medium	2.2	2.9%	1.2%
Wed April 11	13:30	GBP Manufacturing Production (YoY) (Feb)	Medium	2.5	3.3%	2.2%
Wed April 11	17:30	USD Consumer Price Index (YoY) (Mar)	High		2.4%	2.2%
Wed April 11	17:30	USD Consumer Price Index Ex Food and Energy (YoY) (Mar)	High		2.1%	1.8%
Wed April 11	17:30	USD Real Avg Weekly Earnings (YoY) (Mar)	Medium			0.6%
Wed April 11	19:30	USD DOE U.S. Crude Oil Inventories (Apr 6)	Medium			-4617k
Wed April 11	23:00	USD Monthly Budget Statement (Mar)	Medium		-\$185.0b	-\$215.2b
Wed April 11	23:00	USD FOMC Meeting Minutes (Mar 21)	High			

Source: Forex Factory, DailyFX

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