

Gold

Technical

The gold markets have been very choppy over the last several sessions, and an overall upward momentum-based trade. If it can break above the \$1355 level, the market will go looking towards the \$1360 level, and then perhaps breaking above there to go even higher. Gold market participants continue to be very erratic, and gold is very difficult to deal with as it is both a safe haven and a risk asset. An escalation of tension between the United States and China, as people will be worried about global trade. Ironically, if the situation between the United States and China comes down, it probably put downward pressure on the US dollar, which in a sense should lift the gold markets. In other words, its only a matter of time before we go higher. It looks at these pullbacks as potential buying opportunities, and that we will continue to see buyers come in.

Pivot:	1,342		
Support	1,341	1,337	1,334
Resistance	1,351	1,356	1,361

Source: FX EMPIRE

Highlights

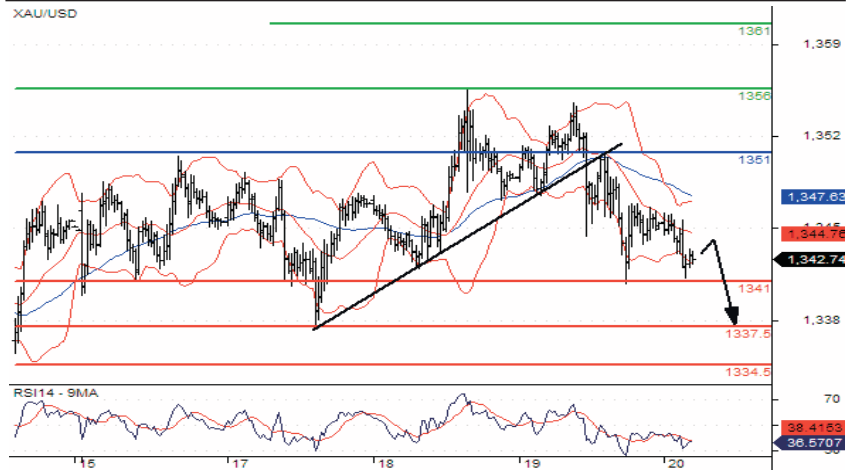
- Gold prices dipped yesterday, breaking a string of gains for four successive sessions
- Rising yields make gold a less attractive investment because it does not draw interest
- Market jitters over Western missile strikes in Syria that provided some support to gold earlier in the week eased
- Gold has been mostly rangebound so far this year, that dulls haven demand for gold
- A spike in inflation and higher interest rates are factors that would be expected to lift the dollar and depress gold prices

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 edged down today as global political tensions eased, but expectations for rising inflation supported demand for the safe-haven asset. Spot gold was down 0.1 percent at \$1,344.20 an ounce, while U.S. gold futures fell 0.2 percent to \$1,346.60 per ounce. Spot gold is also down 0.1 percent so far this week.
- U.S. President Donald Trump said on Wednesday he hoped a summit with North Korean leader Kim Jong Un would be successful, while Western missile strikes in Syria were less extensive than some had feared.
- Investors were also relieved that no new U.S. demands on trade came out of a summit between Japanese Prime Minister Shinzo Abe and U.S. President Donald Trump.
- There is no fresh buying interest and profit taking. The physical demand is also very weak. The market is not able to break above \$1,355, which is acting as a good resistance and causing some long liquidations.
- Prices have been stuck in the \$1,320-\$1,360 range for a good time. The upside is also limited due to the fear of interest rates. The uncertainty over geopolitical risk and trade war tension has moved to the back burner this week and has made for a less compelling argument in the gold market.
- Investors are rehashing old topics amidst reasons to stay long into the weekend, but drawing few if any conclusions. Also, the relatively optimistic backdrop in the United States should support the Federal Reserve in raising interest rates at least twice more this year.
- Gold is expected to decline around \$1,330 after failing to break above resistance. There was a bit of upward momentum, but still in the \$1,300-\$1,365 range. It's more of a technical trade at the moment, it tries the upside again and if that doesn't succeed then it falls back.

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

The WTI Crude Oil market went back and forth during the trading session yesterday, initially trying to rally, but then pulling back. It looks as if were going to continue to dance around the \$69 level, and the \$68 level underneath will be supportive. It has recently rallied significantly, so it might be catching her breath more than anything else. This market will be attracted to the \$70 level, which is a technically important number. Economists believe that the market will probably struggle with \$70, but very well could continue to go higher, especially if Middle East tensions continue to flare up. Brent markets went back and forth during the day as well, ultimately forming a little bit of bullish pressure, but the market is trying to build up the necessary momentum to break out above the \$75 level. Once it break above that level, then it might go to the \$77.50 level next, and then possibly even \$80.

Pivot:	68.46		
Support	67.70	66.90	66.15
Resistance	68.95	69.55	70.20

Source: FX EMPIRE

Highlights

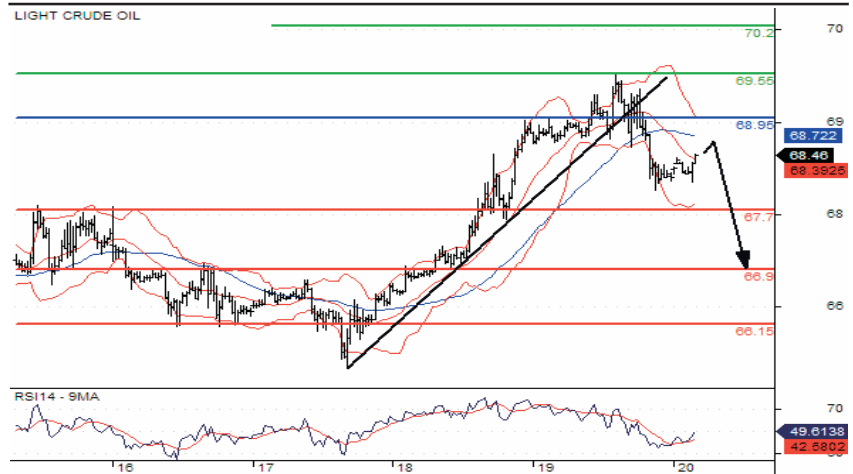
- Oil prices pulled back from their highest levels in nearly 3 1/2 years, as investors weighed comments from major oil producers
- Oil prices have been pushed up by a gradually tightening market
- The tighter oil market is feeding into refined products, this tightness is also a result of healthy oil demand
- Investors are eyeing the \$70 level on U.S crude, but it would likely face resistance
- Major oil producers may be targeting much higher oil prices

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 hit highs not seen since 2014, built on the ongoing drawdowns in global supply and as Saudi Arabia looks to push prices higher, though U.S crude gave back gains to finish lower.
- U.S West Texas Intermediate crude futures settled 18 cents lower at \$68.29 a barrel after earlier hitting \$69.56, their highest since Nov. 28, 2014. WTI has gained nearly 8 percent in the last eight days of trading and set for its second weekly gain, gaining 1.3 percent this week.
- Brent crude futures ended at \$73.78 a barrel, up 30 cents. The global benchmark touched \$74.75 a barrel, its highest since Nov. 27, 2014. The day OPEC decided to pump as much as it could to defend market share. Brent is also poised to rise for a second week, adding 1.6 percent this week.
- Top exporter Saudi Arabia, the Organization of the Petroleum Exporting Countries, has been withholding production since 2017 to draw down a global supply overhang that had depressed crude prices between 2014 and 2016.
- Global oil demand data so far in 2018 has come in line with our optimistic expectations, with 1Q18 likely to post the strongest year-on-year growth since 4Q10 at 2.55 million barrels per day.
- One factor that could start weighing on prices is rising U.S production, which has jumped by a quarter since the middle of 2016 to 10.54 million barrels per day, making the United States the world's second-biggest producer of crude oil behind only Russia, which pumps almost 11 million bpd.
- OECD commercial inventories could fall back to a level not seen since the oil price collapse that began in 3Q14. On a days of forward demand basis, we believe cover could drop below 57 days later this year, a level last seen in 2011.

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 have been very volatile yesterday, initially pulling back but finding enough support at the \$17.10 level to continue the uptrend. If it broke above the \$17.30 level, and that it is only a matter of time before we continue to go even higher, perhaps to the \$17.50 level. Economists believe that the \$17 level underneath should be support as it was previous resistance, but the Silver markets are very reactive to headlines around the world when it comes to such places as Syria, North Korea, and of course any type of mention of a trade war between the United States and China. For longer-term, summer should continue to be very bullish and volatile. The market will continue to be very heavily supported though, so jumping and slowly in building up to a larger position for the longer-term move. Whereas longer-term the market will go looking towards the \$20 level above.

Pivot:	17.18		
Support	17.07	17.00	16.87
Resistance	17.36	17.45	17.54

Source: FX EMPIRE

Highlights

- May silver gave up less than a penny to \$17.239 an ounce yesterday after jumping by 2.8% in the previous session
- spot silver prices rose 0.6 percent to \$17.25 per ounce after touching their highest since Feb. 1
- The U.S dollar has also firmed up today and is trading at its daily high, which is negative for the precious metals markets
- The dollar strengthened, flipping its week-to-date performance into slightly positive territory
- Silver have been purchased as hedges against rising inflation

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

- A bounce in silver is not a surprise because of the lower liquidity and its more sensitive to sentiment, expected silver to follow gold lower in coming days or weeks. While silver has been the worst performing precious metal over the past six months.
- The precious metals fought through some headwinds yesterday. Everything except silver is succumbing to those headwinds today," said Chris Gaffney, president of world markets at EverBank.
- Silver also is used for industrial purposes, so it has been lifted by a rally in base metals. The downside is relatively limited in silver because it was the one that was pushed too low. Also there are no positions to be squeezed.
- The silver bulls have the overall near-term technical advantage. Silver bulls next upside price breakout objective is closing prices above solid technical resistance at the January high of \$17.785 an ounce. The next downside price breakout objective for the bears is closing prices below solid support at \$16.50.
- Silver prices were trading near steady, but hit another 2.5-month high overnight. The current technical postures for both precious metals favor the bulls. May comex silver was last down \$0.002 at \$17.24 an ounce.
- A feature in the marketplace late this week is rising government bond yields (falling prices). Some U.S maturities are at multi-month or multi-year high yields. While the precious metals markets did not react much to this situation today, rising bond yields suggest rising inflation.
- World stock markets were mixed overnight amid a lack of major news developments. U.S stock indexes were selling off in midday trading today. If the sell-off intensifies, the precious metals would likely be supported.

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

Friday, April 20, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri April 20	03:45	USD Fed's Mester Speaks on Economic Outlook and Policy	Low			
Fri April 20	04:30	JPY National Consumer Price Index (YoY) (MAR)	High	1.1%	1.1%	1.5%
Fri April 20	17:30	CAD Retail Sales (MoM) (FEB)	Medium		0.5%	0.3%
Fri April 20	17:30	CAD Retail Sales Ex Auto (MoM) (FEB)	Low		0.5%	0.9%
Fri April 20	17:30	CAD Consumer Price Index (YoY) (MAR)	High		2.4%	2.2%
Fri April 20	17:30	CAD Consumer Price Index Core (YoY) (MAR)	Low		2.0%	1.9%
Fri April 20	18:40	USD Fed's Evans Speaks on the Economy and Monetary Policy	Low			
Fri April 20	19:00	EUR Euro-Zone Consumer Confidence (APR A)	Medium		-0.1	0.1
Fri April 20	22:00	USD Baker Hughes U.S. Rig Count (APR 20)	Medium			1008

Source: Forex Factory, DailyFX

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