

Gold

Technical

The Gold markets tested the \$1250 level during the week but found a slight amount of support in that area to keep the market somewhat stagnant. Regardless, with the most important thing on the chart looks to me to be is the uptrend line that got broken 2 ½ weeks ago. Economists believe that the market will eventually find sellers on any type of bounce, and it would look at those as nice opportunities. In fact, it's not until it break above the uptrend line, or maybe even the \$1300 level that it would be comfortable buying, unless of course we find some type of mass of supportive candle form at an important level such as the \$1200 level. It would also consider a supportive candle at the \$1250 level, but the market is more likely to go lower than form a bounce of consequence right now. The \$1200 level will be very important, but a break down below there opens the door to much lower levels.

Pivot:	1,248		
Support	1,245	1,243	1,239
Resistance	1,251	1,255	1,259

Source: FX EMPIRE

Highlights

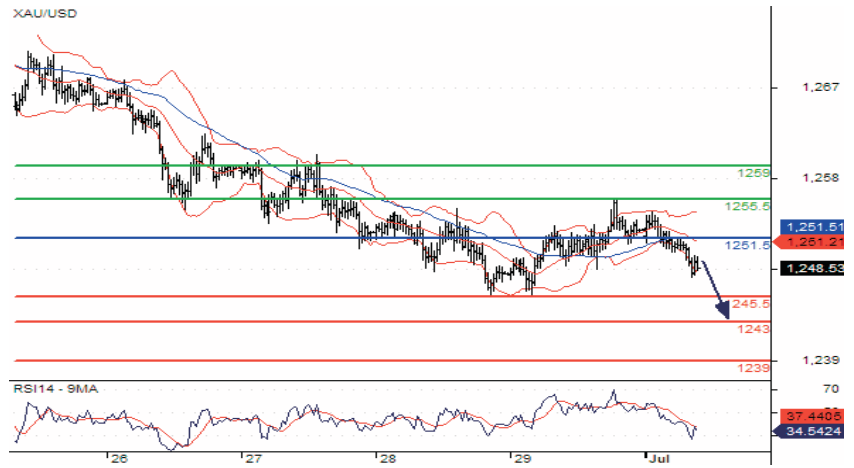
- Gold prices inched down as Dollar firmed and the metal rose for the first time in five sessions
- Monetary policy re-normalization induces the strength in the dollar and with that weakening gold prices
- The risk-aversion demand is not as significant as the impact of expected interest rate increases
- Gold is highly sensitive to rising U.S interest rates, which increase the opportunity cost of holding non-yielding bullion
- Speculators cut their net long position in COMEX gold by 19,328 contracts to 4,186 contracts

Gold - Technical Indicators

RSI 14	70.21
SMA 20	1,260.3
SMA 50	1,259.1
SMA 100	1,258.9
SMA 200	1,257.5

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices edged lower today as the dollar firmed after last week's U.S inflation data supported the Federal Reserve's outlook for future interest rate increases.
- Spot gold was 0.3 percent lower at \$1,248.98 an ounce. Spot gold may edge up into a narrow range of \$1,254-\$1,258 per ounce, before resuming its downtrend. U.S gold futures for August delivery were down 0.3 percent at \$1,250.20 an ounce. Monetary policy re-normalization induces the strength in the dollar and with that weakening gold prices.
- The dollar strengthened against a basket of currencies and extended its gains against the yen to hit a fresh six-week high of 111.06 yen, supported by the relative strength of the U.S economy and on prospects of further rate hikes from the Federal Reserve.
- The risk-aversion demand is not as significant as the impact of expected interest rate increases. Hedge funds and money managers cut their net long positions in COMEX gold.
- U.S consumer prices accelerated in the year to May, with a measure of underlying inflation hitting the Federal Reserve's 2 percent target for the first time in six years, data showed on Friday.
- The rise in price pressures will probably not shift the Fed from its stated path of gradual interest rate increases as policymakers have indicated they would not be too concerned with inflation overshooting its target.
- Gold is highly sensitive to rising U.S interest rates, which increase the opportunity cost of holding non-yielding bullion, while boosting the greenback. With the USD gaining traction as the safe-haven asset of choice amid the rising trade tensions, investor demand for gold has been soft.

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 current upside momentum, we're looking for the rally to continue over the near-term with a potential run to \$79.72 – \$81.09, but will be watching for signs of short-term selling pressure including a closing price reversal top or a break under \$72.70. U.S West Texas Intermediate crude oil futures surged nearly one-percent higher on Friday on concerns that U.S sanctions could create a supply deficit later this year if output remains the same and demand continues on its record pace. August WTI crude oil settled at \$74.15, up \$0.70 or +0.94%. The developing situation in the market strongly indicates there is little room for error at this time. With the U.S strongly urging support of the sanctions against Iran, there's pressure on other countries to join the U.S in stopping oil from Iran, the fifth-largest oil producer in the world, from hitting the market.

Pivot:	73.68		
Support	72.90	72.20	71.70
Resistance	74.00	74.50	75.20

Source: FX EMPIRE

Highlights

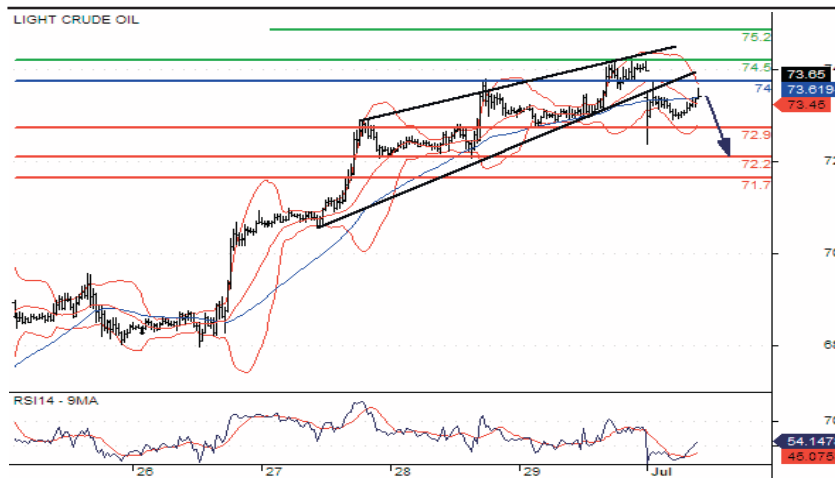
- Oil prices rose strongly last week, with the U.S crude contract hitting its highest in 3-1/2 years at \$74.46
- Oil prices fell today as supplies from Saudi Arabia and Russia rose while economic growth stumbled in Asia
- Oil markets remain tense because of unplanned outages from Canada to Venezuela and Libya
- Russian output rose to 11.06 million bpd in June from 10.97 million bpd in May
- Saudi Arabia's output is up by 700,000 barrels per day (bpd) from May

Crude - Technical Indicators

RSI 14	37.55
SMA 20	70.29
SMA 50	70.33
SMA 100	70.49
SMA 200	70.64

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Iran will allow private companies to export crude oil, part of a strategy to counter U.S sanctions, and is urging fellow OPEC members, including regional rival Saudi Arabia, not to break output agreements, state media and officials said on Sunday.
- Iran is looking at ways to keep exporting oil as well as other measures to counter sanctions after the United States told allies to cut all imports of Iranian oil from November.
- Iranian crude oil will be offered on the bourse and the private sector can export it in a transparent way. Oil is already being offered on the bourse, about 60,000 barrels per day, but that has been only for exports of oil products.
- Meanwhile, Iranian Oil Minister Bijan Zanganeh sent a letter to OPEC asking its members to adhere to the group's agreement reached last month to collectively raise output and "refrain from any unilateral measures" that could undermine the unity of the producer group.
- Benchmark Brent crude oil (LCOc1) fell \$1.24 a barrel to a low of \$77.99 before recovering to \$78.40, down 83 cents. U.S. light crude (CLc1) was 50 cents lower at \$73.65.
- U.S production has soared 30 percent in the past two years, to 10.9 million bpd, meaning the world's three biggest oil producers now churn out almost 11 million bpd each, meeting a third of global oil demand.
- Iran had been pushing hard for oil producers to hold output steady. Also weighing on oil demand are trade disputes between the United States and other major economies including China, the European Union, India and Canada.

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 day on Friday as there was a bit of a “risk on” rally, or perhaps just short covering ahead of the weekend. Market participants got a bit of good news as it appears the European Union is starting to work out the framework of a migration deal, which is a huge sticking point for some of the countries. This also could likely save Angela Merkel’s career, and the markets like that. However, the downtrend is very much intact, at the weekly chart, the candle stick is very negative and has broken below the bottom of a hammer from the previous week. Because of this, it’s only a matter of time before the sellers return, as silver has struggled. Nonetheless, silver from the longer-term perspective, but it would need to see it stabilize and perhaps break above the \$16.50 level for a short-term buying. Until, it get a lot of noise based upon geopolitical issues.

Pivot:	15.96		
Support	15.90	15.83	15.75
Resistance	16.02	16.08	16.16

Source: FX EMPIRE

Highlights

- Silver can catch a bid as it continue to take the elevator down, making new lows almost every day
- Silver priced in U.S dollars is hovering below \$16 an ounce
- There have been some ugly periods in history for silver, but this is one of the ugliest
- The silver market is struggling to gain traction as prices are at the bottom of their range near a six-month low
- Spot silver fell 0.6 percent at \$15.98 an ounce, while Silver futures were down 0.40 percent

Silver - Technical Indicators

RSI 14	53.61
SMA 20	16.29
SMA 50	16.28
SMA 100	16.28
SMA 200	16.25

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver futures rose nearly one percent in Asian trade away from December 14 lows for the second session, while the dollar index fell off year highs, ahead of later US data on personal spending, income, and consumer confidence.
- Silver futures due on September 15 rose 0.65% to \$16.14 an ounce from the opening of \$16.24, while the dollar index fell 0.54% to 94.80 from the opening of 95.31.
- Markets await a basket of US data today, with personal spending expected to have slowed down to 0.4% from 0.6% in April, while personal income to edge up to 0.4% from 0.3%.
- Chicago PMI rose to 64.1 in June from 62.7, beating forecasts of 60.1, while University of Michigan released its final reading for the consumer sentiment survey, showing a drop to 98.2 from 99.3 in the preliminary reading, and missing forecasts of 99.1.
- Earlier US data showed personal spending slowed down to 0.2% from 0.5% in April, missing forecasts of 0.4%, while personal income accelerated to 0.4% as expected from 0.2%.
- Core personal spending rose 0.2% as expected with no change, while accelerating to 2.0% on a yearly basis from 1.8%, beating forecasts of 1.9%. Speculators cut their net long positions in silver contracts in the week to June 26, U.S. Commodity Futures Trading Commission (CFTC) data showed on Friday.
- Investors also look forward to the ongoing European Union Economic Summit, which entered its second day in Brussels with many issues discussed such as immigration, Brexit, defense and economy, with the leaders already reaching an immigration deal on Thursday.

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, July 02, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon July 02	06:00	AUD TD Securities Inflation (YoY) (JUN)	Medium	2.0%		2.1%
Mon July 02	12:15	CHF Retail Sales Real (YoY) (MAY)	Medium	-0.1%	1.4%	2.9%
Mon July 02	12:30	CHF PMI Manufacturing (JUN)	Medium	61.6	61.0	62.4
Mon July 02	13:30	GBP Markit UK PMI Manufacturing s.a. (JUN)	Medium	54.4	54.0	54.3
Mon July 02	14:00	EUR Euro-Zone Unemployment Rate (MAY)	Medium	8.4%	8.5%	8.5%
Mon July 02	19:00	USD Construction Spending (MoM) (MAY)	Medium		0.5%	1.8%
Mon July 02	19:00	USD ISM Manufacturing (JUN)	High		58.5	58.7
Mon July 02	19:00	USD ISM Employment (JUN)	High			56.3
Mon July 02	19:00	USD ISM Prices Paid (JUN)	Medium		74.8	79.5

Source: Forex Factory, DailyFX

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