

Gold

Technical

The Gold markets have been very choppy yesterday as it await the jobs number coming out today. The \$1250 level underneath has been supported, and it will continue to be important overall. Market participants will continue to be very cautious about the Gold markets, as it has seen so much in the way of negativity as of late. The jobs number coming out today of course will have an influence on what happens next, and therefore it should be paid attention to. Further compounding a lot of trading decisions will be the fact that will see American slapping more tariffs on the Chinese, while the Chinese will be retaliating without a doubt. The retaliation will of course be painted lot of attention to, and therefore it should probably look for selling opportunities as the risk appetite will probably decrease. A break down below the \$1250 level could open the door to much lower levels.

Pivot:	1,254		
Support	1,251	1,248	1,245
Resistance	1,258	1,261	1,265

Source: FX EMPIRE

Highlights

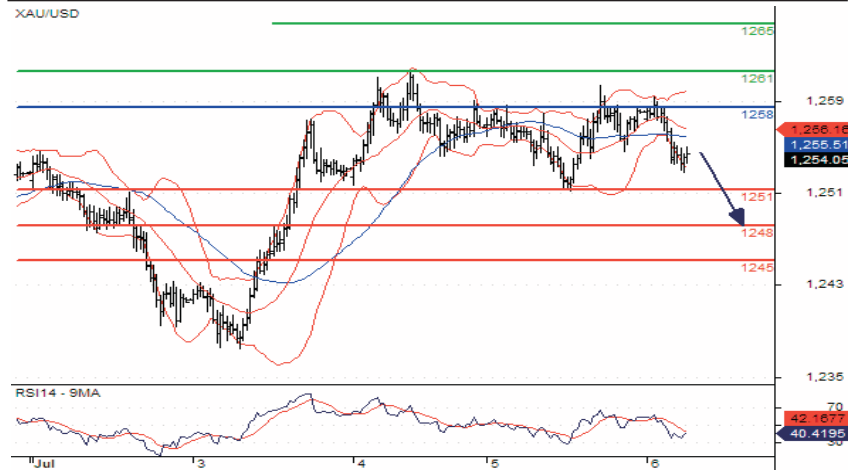
- Gold prices were largely unchanged today as the dollar inched down
- Gold is highly sensitive to rising interest rates, as these increase the opportunity cost of holding non-yielding bullion
- One would not like to have any bullish bets on gold when the labor market trend is strong
- Investors are awaiting the release of non-farm payrolls and unemployment data
- Chinese investors are also buying only small amounts of gold at present, the gold price is finding no support from this side

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 was little changed yesterday, as the U.S dollar stayed weak for the day and minutes of the Federal Reserve's June policy meeting were within market expectations for the pace of further interest rate hikes this year.
- U.S central bankers discussed whether recession lurked around the corner and expressed concerns global trade tensions could hit an economy that by most measures looked strong, minutes of the June 12-13 meeting showed.
- The minutes, which described a meeting in which the Fed raised interest rates for the second time this year, also suggested policymakers might soon signal that the Fed's rate hiking cycle was advanced enough that policy was no longer boosting nor constraining the economy.
- Spot gold was flat at \$1,255.90 per ounce. Spot gold may retrace to support at \$1,248 per ounce as it has failed to break resistance at \$1,258. U.S gold futures for August delivery settled up \$5.30, or 0.4 percent, at \$1,258.80 per ounce.
- The dollar index fell to its lowest level in more than a week while the euro climbed half a percent to near three-week highs following strong German data. Ahead of the release, it was widely telecast that the Fed projected two more rate hikes in 2018 for a total of four.
- Gold is sensitive to rising interest rates, as higher rates increase the opportunity cost of holding non-yielding bullion, while boosting the dollar, in which the metal is priced.
- Gold is not making huge headway even though we're in a slightly weaker dollar environment. The market is very much in a wait-and-see mode ahead of the Fed minutes.

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 has done a lot of back and forth trading yesterday, as it await to see what the jobs number tells us. The \$75 level above is psychologically important, so it makes sense that it could not break above there, at least not with any certainty. If it could break above the \$75 level, the market could then go much higher, perhaps even reaching the \$77.50 level above. Alternately, if it break down below the \$73 level, it probably go down to the \$70 level after that. Brent markets went back and forth as well, initially trying to rally, but then giving back significant amount of the gains. Overall though, this is a market that simply waiting for the jobs number just like the WTI Crude Oil market will be, but the breaking below of \$77 could signal that it need to go even further down to the \$75 level. The \$80 level above as a massive barrier that will be difficult to overcome.

Pivot:	72.79		
Support	72.15	71.40	70.60
Resistance	73.45	74.30	74.80

Source: FX EMPIRE

Highlights

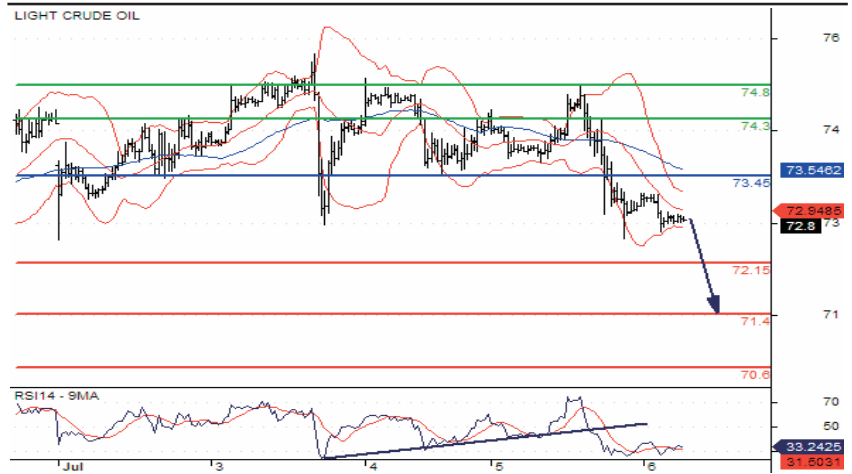
- Oil prices were under pressure today as a raft of import tariffs are scheduled to be imposed later in the day
- WTI crude oil is backing away from its recent high of 75.35
- Oil prices have been rocked by recent comments from President Donald Trump
- Weighing on prices was a ramp up in imports led to an unexpected build in U.S crude supplies
- OPEC crude output rose by 90,000 barrels a day to 31.99 million barrels a day in June, from the month before

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

- Oil prices seesawed today in a nervous market as the United States implemented a raft of tariffs on Chinese goods, which should prompt Beijing to retaliate, potentially including a duty on U.S crude imports.
- U.S West Texas Intermediate crude futures were up 13 cents, or 0.2 percent, from their last settlement at \$73.07 per barrel. Brent crude futures were down 6 cents, or 0.1 percent, at \$77.33 a barrel.
- U.S crude stockpiles rose 1.3 million barrels last week, according to U.S Energy Information Administration data. Analysts had expected a 3.5 million-barrel draw.
- OPEC, together with a group of non-OPEC producers led by Russia, reduced output in 2017 to prop up the market. Last month, the group agreed to lift production by about 1 million bpd to offset losses from Venezuela and Iran.
- Trump told reporters that another \$16 billion are expected to go into effect in two weeks, and that he is considering to impose additional tariffs on \$500 billion in Chinese goods if Beijing retaliate.
- Chinese officials have said earlier that it would retaliate against Trump's tariffs on Chinese goods and threatened a 25% tariff on U.S crude imports, which could potentially make U.S oil uncompetitive in China, forcing its refiners to seek alternative supplies.
- Beijing has threatened a 25 percent tariff on U.S crude imports, although it has not specified an introduction date. American crude shipments to China are around 400,000 barrels per day, worth \$1 billion a month at current prices.

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 continue to be very noisy, as the US dollar has been stronger as of late. Silver is very sensitive to the US dollar and has been in a downtrend for a while. The \$15.50 level underneath is the beginning of massive longer-term support, and it extends down to the \$15.00 level. The market will continue to find plenty of buyers underneath, especially of the longer-term variety. Because of this, it will continue to grind towards that area before massive amounts of demand will reenter the market. This will be especially true if the US dollar sells off, as it provides a bit of fuel for that move. In general, it can break above the \$16.15 level, the market could probably then go to the \$16.50 level above. This is a market that will continue to be very noisy to say the least, but that's nothing new as silver is one of the more volatile futures or CFD market she can be involved in.

Pivot:	15.98		
Support	15.90	15.86	15.82
Resistance	16.03	16.09	16.16

Source: FX EMPIRE

Highlights

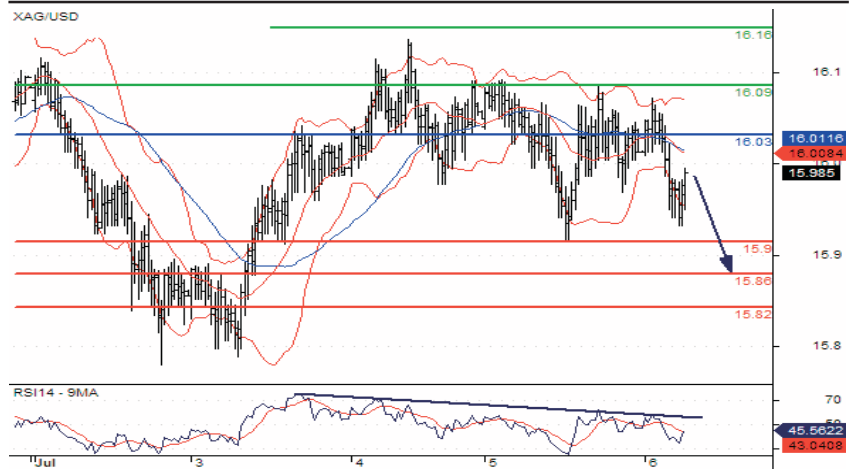
- Silver prices were slightly up, while it lost 0.5 percent at \$15.96 an ounce
- The US dollar has remained at the weaker end of the weekly range after finding little support from the FOMC minutes
- July Comex silver was last up \$0.052 at \$16.095 an ounce
- The Chinese government said that it would respond in kind, in an escalation of the global trade war
- The dollar could even remain stronger into 2019 if the euro is penalized by uncertainties

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 prices are modestly higher in early U.S trading yesterday, on some more short covering in the futures markets and perceived bargain hunting in the cash markets after both metals hit multi-month lows earlier this week.
- Investors are awaiting this afternoon's minutes from the latest meeting of the Federal Open Market Committee (FOMC). The just-released ADP national employment report for June showed a rise of 177,000 versus the forecast for a gain of 185,000 jobs.
- The more important U.S employment report from the Labor Department is out, with the non-farm jobs number expected to come in at up 195,000 in June. while the ADP adds some downward pressure to employment data, investors need to look at the bigger picture.
- The U.S dollar index traded down to its session low following the ADP report, which is a friendly development for the precious metals markets today. Economists have also said that U.S economic data is currently taking a backseat to growing geopolitical friction.
- World stock markets were higher. U.S stock are pointed toward higher openings when the New York day session begins. The greenback has lost some momentum recently as the Index hovers just above initial support at 94 points.
- The U.S and China remain headed for the showdown on putting into effect their already-announced trade sanctions against each other. A Chinese official said the U.S is firing shots to the world, including itself," on the trade matter.
- Other U.S economic data due for release includes the weekly jobless claims report, the Challenger job-cuts report, the U.S services PMI, the ISM non-manufacturing report, the global services PMI, the weekly DOE liquid energy stocks report and the FOMC minutes.

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, July 06, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri July 06	09:01	USD US Imposes \$34 Billion worth of Tariffs on China	High			
Fri July 06	17:30	CAD Net Change in Employment (JUN)	High		20.0k	-7.5k
Fri July 06	17:30	CAD Unemployment Rate (JUN)	High		5.8%	5.8%
Fri July 06	17:30	USD Change in Non-farm Payrolls (JUN)	High		195k	223k
Fri July 06	17:30	USD Unemployment Rate (JUN)	High		3.8%	3.8%
Fri July 06	17:30	USD Average Hourly Earnings (YoY) (JUN)	Medium		2.8%	2.7%
Fri July 06	17:30	USD Average Weekly Hours All Employees (JUN)	Medium		34.5	34.5
Fri July 06	17:30	USD Trade Balance (MAY)	Medium		-\$43.6b	-\$46.2b
Fri July 06	22:00	USD Baker Hughes U.S. Rig Count (JUL 06)	Medium			1047

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
Muhammad Naveed	(Branch Manager - Islamabad)	Cell: 0345-5599900	Tel: (+92-51) 2604861-62	muhammad.naveed@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

5-FC.C Ground Floor, Syed Maratib Ali Road,
Gulberg II, Lahore.
Tel :(+92-42) 95777863-70, 35876075-76
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 # 719, 7th 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