

Gold

Technical

Gold prices continue to trade sideways, in a very tight range. The dollar eased again yesterday, allow the yellow metal to remain buoyed. Support is seen near an upward sloping trend line that comes in near 1,287. Resistance is seen near the 50-day moving average at 1,316. Momentum remains positive as the MACD (moving average convergence divergence) histogram prints in the black with an upward sloping trajectory which points to higher prices. Eurozone Q1 GDP growth was confirmed at 0.4% quarter over quarter, 2.5% year over year, as expected and in line with the preliminary release. The breakdown, which was released for the first time, showed private consumption growth accelerating to 0.5% quarter over quarter from 0.2% quarter over quarter, while public consumption stagnated. German orders slumped -2.5% month over month in April, with the March reading revised down.

Pivot:	1,297		
Support	1,294	1,290	1,287
Resistance	1,300	1,303	1,306

Source: FX EMPIRE

Highlights

- Gold marked highest finish as dollar's strength declined and boosted short-term allure of metal
- Gold steady as investors are waiting for next week's Fed meeting
- A weaker dollar is good for gold because it makes the metal cheaper for buyers using other currencies and can fuel demand
- The rise in gold prices is all due to the weaker U.S dollar
- Gold prices were more likely to fall than to rise if it was unable to move above its 200-day moving average around \$1,308

Gold - Technical Indicators

RSI 14	41.13
SMA 20	1,325.5
SMA 50	1,298.3
SMA 100	1,288.0
SMA 200	1,309.5

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices were largely unchanged today as investors remained cautious ahead of key events next week such as a U.S Federal Reserve policy meeting and a summit between the United States and North Korea.
- U.S dollar weakness helped boost gold prices yesterday, but gains were limited as the market awaited clues from next week's meeting of the Federal Reserve on the pace of U.S interest rate rises.
- Spot gold was steady at \$1,296.60 per ounce. It has risen about 0.3 percent so far this week. U.S gold futures for August delivery fell 0.2 percent to \$1,301.10 per ounce.
- The U.S dollar's dominance is forecast to fade soon, with any sudden change in expectations for the policies of other central banks posing the biggest risk. The yellow metal continues to trade in a very narrow range between \$1,290 and \$1,307 established in recent weeks.
- The dollar index, which measures the greenback against a basket of six major currencies, was little changed at 93.439. It fell to a three-week low in the previous session. Investors were anticipating a summit between the leaders of the United States and North Korea on June 12 and a European Central Bank (ECB) meeting on June 14.
- Higher U.S interest rates tend to boost the dollar and also push up bond yields, reducing the appeal of non-yielding bullion. Gold steady and better again with more short covering as we await six days to the next Fed meeting.
- Tensions surrounding North Korea have supported gold, increasing demand for an asset viewed as a safe place to invest in times of geopolitical uncertainty. Markets are meanwhile betting the ECB will signal a winding down of its vast bond-buying program, boosting the euro.

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 futures are trading higher shortly after the regular session opening on concerns about a possible steep drop in exports from Venezuela. Offsetting some of this potential supply disruption is surging U.S production, which hit another record last week, according to the U.S Energy Information Administration. The main trend is down according to the daily swing chart. However, investors may be trying to shift momentum to the upside with the formation of the closing price reversal bottom on Tuesday. The chart pattern was confirmed on Wednesday, but there hasn't been a follow-through move yet. Crude oil is trading inside yesterday's wide range which suggests investor indecision and impending volatility. A trade through \$64.22 will negate the chart pattern and signal a resumption of the downtrend. The minor trend changes to up on a trade through \$68.67.

Pivot:	66.03		
Support	65.25	64.80	64.20
Resistance	66.65	67.30	67.90

Source: FX EMPIRE

Highlights

- Oil prices settled higher yesterday as falling exports from Venezuela and fading fears OPEC is set to lift production curbs supported sentiment
- U.S crude oil production hit another record last week at 10.8 million barrels per day
- OPEC would focus on balancing the market rather than on easing production curbs
- The rise in oil prices comes a day after data showed an unexpected build in inventories of U.S crude by 2.072 million barrels
- Domestic oil output jumped to a record 10.8 million bpd

Crude - Technical Indicators

RSI 14	35.14
SMA 20	48.32
SMA 50	50.76
SMA 100	54.32
SMA 200	59.24

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices were stable today, supported by Venezuela's struggles to meet its supply obligations and by ongoing output cuts led by producer cartel OPEC, although surging U.S crude output was looming over markets.
- Brent crude futures, the international benchmark for oil prices, were at \$77.24 per barrel, a notch below their last close. U.S West Texas Intermediate (WTI) crude futures were up 9 cents at \$66.04 a barrel.
- Prices were pushed up by supply trouble in Venezuela, where state-owned oil firm PDVSA is struggling to clear a backlog of around 24 million barrels of crude waiting to be shipped to customers.
- One of the key features of oil markets recently has been the widening discount of U.S. WTI crude versus Brent, which has almost quadrupled since February to more than \$11 per barrel, its steepest discount since 2015.
- This is occurring because of the rapid increase in production from U.S shale coupled with the tightening of supplies elsewhere through the actions of OPEC and Russia.
- Brent has been pushed up by voluntary production cuts led by the Middle East dominated producer cartel of the Organization of the Petroleum Exporting Countries (OPEC) and by top producer Russia, which were put in place in 2017.
- A consensus for higher oil prices and revenues will be the bedrock of every OPEC nation. The countries will not risk a landslide in prices after suffering from the oil crash of 2014. OPEC members will play their part in talking prices up to ensure profitability on oil revenues for 2018.

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 rallied nicely during the trading session yesterday, perhaps getting slightly overbought at one point, but have turned around to show signs of strength again. Ultimately, this market will reach towards the upside and perhaps even the \$17 level in the short term, which has been important more than once. If it can clear that level, then the \$17.50 level gives us an opportunity to aim for higher levels as it has been a nice target in the past. Economists believe that the \$16.50 level underneath is going to act as support now, as it was previous resistance. The idea of buying bits and pieces of silver along the way for a retirement account makes a lot of sense. At this point it's likely that longer-term investors are buying physical silver, as the volatility and the futures market makes it very difficult to deal with for a longer-term move, as rolling over contracts can be very expensive.

Pivot:	16.67		
Support	16.62	16.51	16.45
Resistance	16.79	16.90	16.97

Source: FX EMPIRE

Highlights

- Silver prices may remain impeded by a "challenging environment" in the foreseeable future before rising later in the year
- Gains in the safe-haven metal was again limited today by upbeat investor attitudes
- The U.S dollar index is lower again today on more of a corrective pullback from recent good gains
- The "risk-on" attitudes have limited the upside in safe-haven silver markets recently
- The U.S Fed will likely raise its target interest rate to above the rate of inflation for the first time in a decade next week

Silver - Technical Indicators

RSI 14	39.31
SMA 20	17.68
SMA 50	17.25
SMA 100	16.93
SMA 200	16.81

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices traded mostly flat near three-week highs hit yesterday as demand declines on safe havens in the markets while stocks rebound. Silver last traded at \$16.63 an ounce, near the opening of \$16.65, with a session-high at \$16.69, and a low at \$16.63.
- Silver's rally yesterday came on the back of dollar's decline, which opened the door for commodities to recoup recent losses. Asian stocks rebounded for the day, cutting demand on silver as an alternative investment for stocks, while focus remains on global trade tensions.
- Silver prices traded modestly higher in early U.S trading yesterday. The U.S dollar index is drifting lower this week, which is a positive development for the precious metals market bulls. July Comex silver was last up \$0.141 at \$16.83 an ounce.
- Silver gained 0.8 percent at \$16.78 an ounce after rising to its highest since April 23, \$16.90. Silver broke above its 100-day moving average on Wednesday and its 200-day moving average yesterday, improving its technical outlook and triggering buying.
- Spot silver prices are poised to reach \$20 per ounce by the end of the year, boosted by global growth, increased industrial demand and safe-haven bids amid geopolitical worries.
- World stock markets were mostly firmer overnight. U.S stock indexes are pointed toward narrowly mixed openings when the New York day session begins. The U.S stock indexes are at contract or multi-month highs amid keener risk appetites among traders and investors in the world marketplace.
- The Euro zone reported its gross domestic product (GDP) rose at an annual rate of 1.5% in the first quarter of this year. That is well down from the 2.8% growth rate seen in the bloc in the fourth quarter of last year.

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, June 08, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri June 08	11:00	EUR German Trade Balance (APR)	Medium		20.2b	25.2b
Fri June 08	13:30	GBP BoE/TNS Inflation Next 12 Mths (MAY)	High			2.9%
Fri June 08	17:15	CAD Housing Starts (MAY)	Medium		220.0k	214.4k
Fri June 08	17:30	CAD Net Change in Employment (MAY)	High		22.0k	-1.1k
Fri June 08	17:30	CAD Unemployment Rate (MAY)	High		5.8%	5.8%
Fri June 08	17:30	CAD Hourly Earnings Permanent Employees (YoY) (MAY)	Medium			3.3%
Fri June 08	17:30	CAD Full Time Employment Change (MAY)	Medium			28.8
Fri June 08	19:00	USD Wholesale Inventories (MoM) (APR F)	Low		0.0%	0.0%
Fri June 08	22:00	USD Baker Hughes U.S. Rig Count (JUN 08)	Medium			1060

Source: Forex Factory, DailyFX

Disclaimer: This document has been prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. This document and the information may not be reproduced, distributed or published by any recipient for any purpose.

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
Gul Hussain	(Branch Manager - Faisalabad)	Cell: 0344-7770878	Tel: (+92-41) 2540843-45	gul.hussain@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