

Gold

Technical

Gold closed lower last week but clawed back enough of the loss to suggest a short-term bottom had been reached especially since the buying began inside a major 50% to 61.8% retracement zone. The main trend is down according to the weekly swing chart. The main trend turned down when sellers took out the previous main bottom at \$1309.30 last week. The market isn't close to turning the main trend to up, but there is room to the upside for a short-term retracement. The main range is \$1247.20 to \$1375.50. Its retracement zone at \$1311.40 to \$1296.20 is controlling the near-term direction of the market. The short-term range is \$1369.40 to \$1302.30. If there is a technical bounce then its retracement zone at \$1335.90 to \$1343.80 will become the primary upside target. Since the main trend is down, sellers should show up on a move into this area.

Pivot:	1,312		
Support	1,310	1,306	1,301
Resistance	1,320	1,325	1,329

Source: FX EMPIRE

Highlights

- Gold prices hit their highest in a week, buoyed as the dollar slipped after marking its strongest level this year
- Gold prices were also drawing support from political uncertainty surrounding markets
- Trade negotiations between the U.S and China for some ended up on the disappointing side could have added a little bit of support for gold
- The dollar index traded slightly below its 2018, after disappointing U.S employment data for April
- Gold is highly-sensitive to rising U.S rates as these tend to boost the dollar in which it is priced

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 edged up today as the dollar took a breather after climbing to its highest level this year in the previous session. Demand for physical gold barely changed in major Asian hubs last week even as global prices weakened.
- Spot gold rose 0.2 percent to \$1,316.62 per ounce. U.S gold futures for June delivery were up 0.2 percent at \$1,317.20 per ounce. SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, said its holdings fell 0.17 percent to 864.13 tonnes on Friday from 865.60 tonnes on Thursday.
- The dollar index, which measures the greenback against a basket of six major currencies, was steady at 92.547 after hitting its best since December at 92.900 on Friday. Hedge funds and money managers trimmed their net long positions in COMEX gold contracts in the week to May 1.
- U.S job growth increased less than expected in April and the unemployment rate dropped to near a 17-1/2-year low of 3.9 percent as some out-of-work Americans left the labor force.
- Two Federal Reserve officials who are currently voting members of the U.S central bank's rate-setting committee said on Friday they were keeping an open mind on the total number of interest rate rises needed this year.
- U.S interest rate futures rose modestly on Friday, as investors still expect the Federal Reserve to raise key borrowing costs at its June 12-13 policy meeting in the wake of weaker-than-forecast growth in domestic payrolls and wages in April.
- The World Gold Council, owner of the world's largest gold-backed exchange traded fund, is launching a new fund with a cut-price management fee to fend off rivals with lower charges. Euro zone business growth dimmed again in April but the picture remained relatively bright as new business stayed buoyant.

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

Based on last week's close at \$69.72, the direction of the crude oil market will be determined by trader reaction to \$69.97. Crude oil futures rallied to a new multi-year high last week as speculators continued to bet the U.S will walk away from the Iran nuclear deal when the deadline for the decision hits on May 12. Gains could be limited, however, by concerns over rising U.S production, which should continue to rise along with the U.S rig count. The main trend is up according to the weekly swing chart. The trend isn't close to turning down, but the market is in the window of time for a potentially bearish closing price reversal top, or higher-high, lower-close. This chart pattern, however, will take the entire week to form. A trade through \$69.97 will signal a resumption of the uptrend. If this move creates enough upside momentum, we could see a spike into the major 50% level at \$72.86.

Pivot:	70.53		
Support	70.20	69.70	69.50
Resistance	71.10	71.45	72.00

Source: FX EMPIRE

Highlights

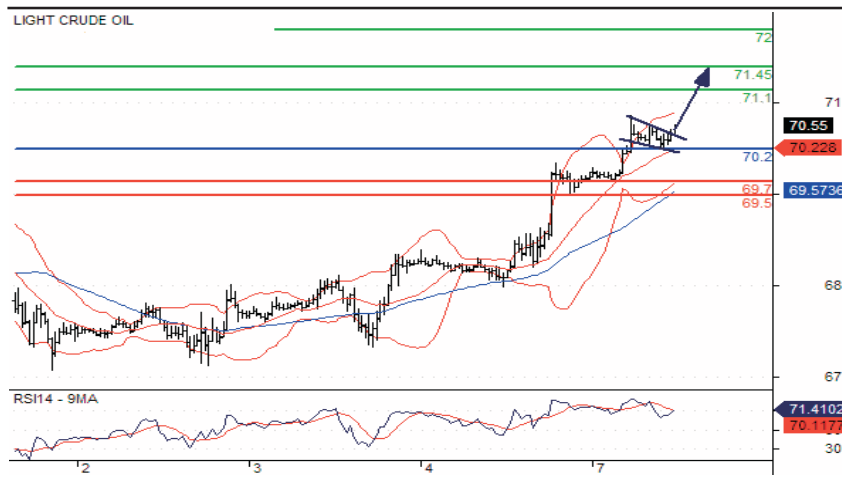
- Crude oil surged to fresh highs, whether the United States will re-impose sanctions on Iran
- China's Shanghai crude oil futures, launched in March, broke their dollar-converted record-high, rising as far as \$72.54
- The increases came despite nine U.S oil rigs bringing the total count to 834
- The growth in production in the U.S is being counter balanced by the simultaneous decline in Venezuela
- Dollar marched to 4 months high as oil rally points to higher inflation

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

- U.S oil prices pushed above the \$70-a-barrel mark today, the first time the commodity has traded at that level since 2014, as investors began to become more convinced the U.S might take a hard line on an Iranian nuclear deal.
- June West Texas Intermediate crude oil rose 65 cents or 0.9%, to \$70.37 a barrel, its highest since late November 2014, and hitting a session high of \$70.69 so far today. That took out a high reached Friday.
- Meanwhile international benchmark July Brent, added 52 cents or 0.7%, to \$75.39 a barrel. The contract closed up 1.7% to \$74.87 a barrel on Friday and 1.5% higher for the week.
- U.S output has soared by more than a quarter in the last two years, to 10.62 million bpd. It will likely rise further this year as its energy firms keep drilling for more. Widespread expectations that U.S. President Donald Trump will withdraw from the Iranian nuclear pact added a further risk premium.
- The U.S Dollar Index gained 0.2% to 92.739, reaching its highest level since late December. The benchmark last week rose 0.2%, logging a fourth straight weekly advance. Saudi Arabian Energy Minister said he is concerned about low oil industry investment and potential shortages in the future.
- The joblessness rate fell to 3.9%, the lowest since late 2000, sparking speculation the labor market soon will become so tight that wages will rise at a faster pace. That would likely fuel higher inflation and add pressure on the Fed to raise interest rates more aggressively.
- A rally in oil prices was seen as potentially boosting U.S inflation. Crude oil topped \$70 a barrel for the first time since 2014 today as traders became more convinced President Donald Trump will abandon the Iran nuclear deal and re-impose sanctions on the country.

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

The Silver markets fell initially during the week, reaching down to the \$16 level, an area where the buyers return. By forming the hammer that it has, this is a good sign, and it shows that there are still plenty of buyers underneath willing to pick up silver. Economists think that eventually, the buyers may when the day, but it's obvious that we are still very much in consolidation. The \$17 level above is resistance, but it break above there and go to the \$17.50 level. Ultimately, I think that every time we pull back there will be plenty of buyers underneath trying to take advantage of value. If it did breakdown below the \$16 level, the market more than likely has plenty of support at the \$15.50 level, an area that should be very solid for the markets, as it has held for several years. It shows that every time it dip, it's time to start buying silver.

Pivot:	16.45		
Support	16.34	16.26	16.19
Resistance	16.58	16.65	16.75

Source: FX EMPIRE

Highlights

- Silver prices gained today as the dollar slid against the other major currencies
- The U.S Dollar tracks the greenback against a basket of six major currencies last stood at 92.30, down 0.13%
- Dollar-denominated assets such as silver are sensitive to moves in the dollar
- A fall in the dollar makes silver less expensive for holders of foreign currency and thus increases demand for the precious metal
- Silver has faced significant downward pressure from the firming U.S dollar these past few weeks

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 rose at the start of the week as the dollar index lost ground, underpinning dollar-denominated commodity futures, while Asian stock indices wavered.
- Silver is climbing for the fourth consecutive session on short-covering, as investors capitalize on dollar's current weakness against a basket of major rivals. Stock markets are dithering ahead of crucial US inflation data, and amid ongoing US-China trade tensions.
- Silver rose to \$16.54 an ounce from the opening of \$16.51, with an intraday high at \$16.55, and a low at \$16.50. Silver prices edged up today as the dollar took a breather after climbing to its highest level this year in the previous session.
- The silver prices have faced significant downward pressure from the firming U.S dollar these past few weeks, even ending last week in red for the third consecutive time.
- When U.S financial conditions are tightening, compared to 2015, silver prices actually rallied about 12 percent and the dollar index had rallied about 6 percent. There are situations where it can move in tandem for a short period of time.
- Silver's upward trajectory alongside the U.S dollar will however be only temporary and then the inverse relationship will once again overpower other factors. The main driver in silver markets continues to be the Greenback, and while the recent Dollar surge was tied to climbing US Treasury yields, the bullish trend appears to have set in for the USD.
- Fresh positions built up by participants on the back of a firm trend overseas mainly led to the rise in silver prices at the futures trade. Meanwhile, silver rose 0.09 per cent to \$16.51 an ounce. Similarly, the white metal for delivery in far-month September contracts were trading higher by 0.65.

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, May 07, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon May 07	03:30	AUD AiG Performance of Construction Index (APR)	Medium	55.4		57.2
Mon May 07	06:30	AUD NAB Business Confidence (APR)	Medium	10		8
Mon May 07	11:00	EUR German Factory Orders n.s.a. (YoY) (MAR)	Medium	3.1%	5.0%	3.5%
Mon May 07	12:15	CHF Consumer Price Index (YoY) (APR)	Medium	0.8%	0.9%	0.8%
Mon May 07	12:30	EUR Markit Germany Construction PMI (APR)	Medium	50.9		47
Mon May 07	13:10	EUR Markit Germany Retail PMI (APR)	Medium	51		51.5
Mon May 07	17:25	USD Fed's Bostic Makes Welcome at Financial Markets Conference	Low			
Mon May 07	20:30	USD U.S. to Sell USD42 Bln 6-Month Bills	Low			
Mon May 07	23:00	USD Fed's Barkin Speaks in Moderated Q&A at GMU	Low			

Source: Forex Factory, DailyFX

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