

Gold

Technical

Comex Gold futures opened lower in response to the French presidential election. However, there wasn't much of a follow-through move to the downside because almost everyone knew the move was coming since the outcome of the election was pretty much determined about two weeks ago. The market was basically set up for a "sell the rumor, buy the fact" situation. The main trend is down according to the daily swing chart. The market is far from turning the main trend to up, however, it is in the window of time for a potentially bullish closing price reversal bottom. If we get the reversal today and a confirmation on Tuesday then given the short-term range of \$1297.40 to \$1221.00, we could see a 2 to 3 day rally back to at least \$1259.20 to \$1268.20. The main range is \$1198.00 to \$1297.40. Its retracement zone at \$1236.00 to \$1247.70 should be considered resistance.

Pivot:	1,231		
Support	1,221	1,216	1,210
Resistance	1,236	1,241	1,250

Highlights

- Gold ended lower Friday, holding ground at the lowest settlement since mid-March
- April's strong U.S jobs report was seen as keeping the Federal Reserve on a path of higher interest rates
- The jobs report falls into the camp of the U.S monetary policy hawks who want to see U.S interest rates rise at a faster pace
- June gold lost \$1.70, or 0.1%, to settle at \$1,226.90 an ounce
- Gold prices finished about 3.3% lower for the week

Gold - Technical Indicators

RSI 14	65.71
SMA 20	1,323.2
SMA 50	1,291.3
SMA 100	1,234.5
SMA 200	1,235.8

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold firmed today as bargain-hunters moved in after prices dipped to seven-week lows and as the euro strengthened after expected win of pro-EU candidate Emmanuel Macron in the French presidential election.
- Spot gold rose 0.2 percent to \$1,229.90 per ounce, after touching 1,224.86 earlier in the session, its lowest since March 17. Gold last week saw its biggest weekly percentage fall since the week ending Nov. 11, ending over 3 percent lower.
- U.S. gold futures were up 0.3 percent at \$1,230.50 an ounce. In early Asian trading, the euro hit its highest since Nov. 9 after centrist Emmanuel Macron comfortably won the French presidential election.
- Macron was elected French president on Sunday with a business-friendly vision of European integration, defeating Marine Le Pen, a far-right nationalist who threatened to take France out of the European Union.
- U.S. job growth rebounded sharply in April and the unemployment rate dropped to 4.4 percent, near a 10-year low, pointing to a tightening labor market that likely seals the case for an interest rate increase next month despite moderate wage growth.
- Gold demand in India could be muted in the second half of 2017, as the rollout of a new national sales tax from July is expected to dent appetite in the world's second-biggest consumer, the World Gold Council (WGC) said on Thursday.
- Hedge funds and other money managers cut their net long position in COMEX gold for the first time in seven weeks, in the week to May 2, while they reduced their bullish stance in silver to the lowest since January, U.S. government data showed Friday. Gold demand in Asia rose last week, helped by a correction in prices, but traders said some buyers have held back from purchases while they wait for bullion prices to drop further.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market had an extraordinarily volatile session in Friday's trading, as the market had initially broken down below the \$45 level, reaching as low as \$43.60. However, the market turned around and then we got the jobs number which only added more fuel to the fire as far as the buying pressure was concerned. This was an extraordinarily bullish move, and now we find ourselves coming close to the vinyl \$47 level. On the longer-term charts, the \$47 level was a scene of massive support that has now been broken. Typically, when we break a major level like that we find a reason to go back intestate for resistance. Because of this, I am looking for a resistive candle to start selling again. Until then, I would be on the sidelines unless of course we get above the \$47.65 level which would be a sign of continued bullishness jumping into the market.

Pivot:	46.79		
Support	45.90	45.30	44.85
Resistance	47.30	47.75	48.25

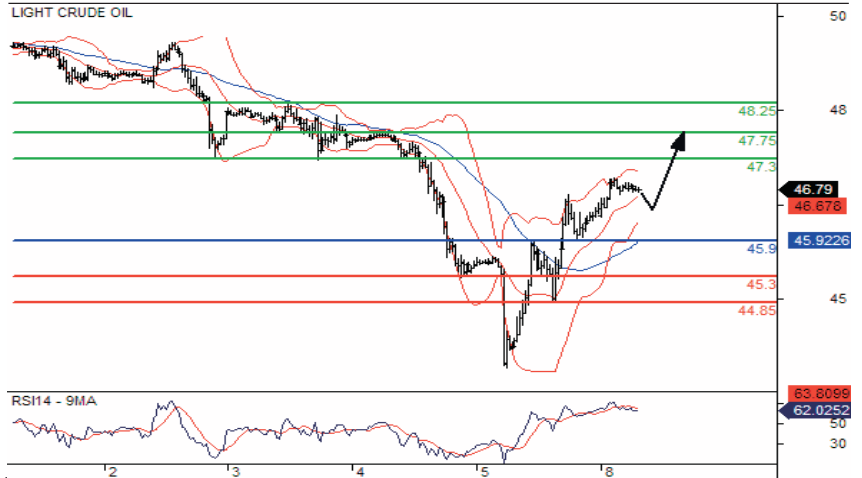
Highlights

- Crude futures kicked off the week higher following sharp declines last week
- Oil buoyed by expectations that major producers will cut more of their supplies in a bid to whittle down the global inventories
- On the New York Mercantile Exchange, crude futures for delivery in June traded at \$46.81 a barrel, up \$0.59, or 1.3%
- Oil plunged by more than 6% last week, dropping to the lowest level since November
- Energy investors will be watching for China's April crude import data due later today

Crude - Technical Indicators

RSI 14	46.23
SMA 20	45.56
SMA 50	47.63
SMA 100	48.76
SMA 200	50.11

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices rose today as Saudi Arabia's energy minister said an OPEC-led production cut scheduled to end in June would likely be extended to cover all of the year, or even into 2018, although another increase in U.S. drilling capped gains.
- Brent crude futures were at \$49.48 per barrel, up 38 cents, or 0.75 percent, from their last close. U.S. West Texas Intermediate (WTI) crude futures were at \$46.52 per barrel, up 30 cents, or 0.7 percent.
- Saudi Arabia's energy minister Khalid Al-Falih said today oil markets were rebalancing after years of oversupply, but that he still expected the OPEC-led deal to cut output during the first half of the year to be extended.
- "Based on the consultations I have had with participating members, I am rather confident the agreement will be extended into the second half of the year and possibly beyond," said Falih, Saudi Minister of Energy, Industry and Mineral Resources, during an industry event in Malaysia's capital Kuala Lumpur today.
- The Organization of the Petroleum Exporting Countries (OPEC), of which Saudi Arabia is the de-facto leader, as well as other producers including Russia, pledged to cut output by almost 1.8 million barrels per day (bpd) during the first half of the year to prop up the market.
- The comments from Falih and rising prices came after steep falls last week due to ample supply in countries that aren't participating in the cuts, including the United States where output is soaring.
- A decision on whether to continue the production cuts is expected at OPEC's next official meeting on May 25. Oil may have seen the worst of the selloff for now, as the market turns its attention to the OPEC meeting at the end of the month. Still, both Brent and WTI crude are holding below \$50 amid ample supplies.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets had a volatile session on Friday, initially reaching towards the \$16.50 level but finding enough resistance there to roll over and show signs of exhaustion yet again. The 24-hour exponential moving average continues to be very important, and as we approach that again, I think the sellers may return. When you look at the daily candle, it is a shooting star sitting on top of the bottom of the downtrend, never a good sign. I believe that a breakdown below the \$16.20 level will send this market looking for the \$16 handle underneath. For some time now, selling the short-term rallies has been a viable trading strategy in the silver market. I think that's going to continue to be the case, although I would anticipate that the \$16 level may cause a little bit of a bounce. I think it will be temporary at best, and we will more than likely go looking for the \$15 level after that.

Pivot:	16.39		
Support	16.20	16.10	16.00
Resistance	16.60	16.70	16.87

Highlights

- Silver was up 0.47% to \$16.38 a troy ounce, and ended the week down 5.72%
- The Labor Department reported in Friday's session that the U.S economy added 211,000 jobs last month
- Average hourly earnings rose 0.3% in the month of April
- The jobs data did little to alter the view that the Fed will raise interest rates in June
- Markets are pricing in around a 75% chance of a hike at the Fed's June meeting, according to Fed Rate Monitor Tool

Silver - Technical Indicators

RSI 14	56.32
SMA 20	19.22
SMA 50	18.34
SMA 100	17.49
SMA 200	17.54

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices were trading near five-month lows after the Federal Reserve signaled gradual interest rate rises were par for the course despite an apparent slowdown in economic momentum.
- July silver futures fell 3 cents, or 0.2%, to \$16.52 a troy ounce. The futures contract hovered within a narrow trading range of \$16.42 and \$16.65. Silver's value has dropped more than 10% over the past two weeks, reflecting continued volatility in the commodities market.
- In percentage terms, silver's decline in recent weeks has far outpaced gold's. The gold/silver ratio used by investors to buy and sell precious metals closed at 76.60 on Wednesday, according to Goldprice.org. That was the highest level since July 2016.
- Back in early March, one ounce of gold was worth roughly 68 ounces of silver. The Federal Reserve left monetary policy unchanged Wednesday, as expected, and shrugged off the latest slowdown in the economy in a sign officials were eyeing gradual rate hikes in the coming months.
- The Federal Open Market Committee (FOMC) said the economy's recent poor performance was "transitory." U.S. GDP growth slowed to an annualized 0.7% in the first quarter, the weakest in three years.
- The U.S. dollar index climbed to nearly two-week highs following the FOMC decision. It was last seen trading at 99.14, down 0.1% from the previous session.
- The Labor Department reported Friday that the U.S. economy added 211,000 jobs last month, beating expectations for a gain of 185,000 and the unemployment rate ticked down to 4.4%, a near a 10-year low. The report also showed that the prior month's figure of 98,000 was revised down to an even lower 79,000. Average hourly earnings rose 0.3% in April.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Monday, May 08, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon May 08	06:30	AUD Building Approvals (YoY) (MAR)	Medium	-19.9%	-10.0%	-4.9%
Mon May 08	06:30	AUD NAB Business Confidence (APR)	Medium	13		6
Mon May 08	08:43	CNY Trade Balance (APR)	Medium	\$38.05B	\$35.20b	\$23.92b
Mon May 08	10:00	JPY Consumer Confidence Index (APR)	Medium	43.2	43.5	43.9
Mon May 08	11:00	EUR German Factory Orders n.s.a. (YoY) (MAR)	Medium	2.4%	2.1%	4.7%
Mon May 08	12:30	GBP Halifax House Price (3MoY) (APR)	Low	3.8%	3.6%	3.8%
Mon May 08	13:30	EUR Euro-Zone Sentix Investor Confidence (MAY)	Low	27.4	25.2	23.9
Mon May 08	17:15	CAD Housing Starts (APR)	Medium		220.0k	253.7k
Mon May 08	19:00	USD Labor Market Conditions Index Change (APR)	Medium			0.4

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	(Assistant 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