

Gold

Technical

Gold markets rolled over a bit yesterday, as the tensions in the Middle East are starting to relax a bit. Less fear about a US strike on Syria has crept into the market, perhaps dropping. The market will continue to be very choppy in general, as headlines drive it more than anything else, but Economists think there is plenty of support underneath to find some type of opportunity to go long. The market should continue to go higher over the longer term, perhaps reaching towards the \$1375 level, and then the \$1400 level. It shows that the "floor" in the market is closer to the \$1300 level, so it's not until we break down below there that we would consider shorting this market and the market will continue to offer plenty of opportunities. It would be cautious about jumping in with both feet, but eventually this market will break above the \$1400 level, sending it towards the \$1800 level longer term.

Pivot:	1,338		
Support	1,331	1,326	1,321
Resistance	1,342	1,347	1,353

Source: FX EMPIRE

Highlights

- Gold prices dropped 1.3 percent yesterday, the biggest single-day percentage fall since March 28
- Spot gold is expected to rise to \$1,348 per ounce, as it has found a support at \$1,334
- The trade war between China and the U.S also weighed on gold prices in the previous session
- June gold fell \$18.10, or 1.3%, to settle at \$1,341.90 an ounce, following gains over the past four consecutive sessions
- Gold Prices are gaining on tensions over Syria, that has stoked geopolitical concerns

Gold - Technical Indicators

RSI 14	33.74
SMA 20	1,263.6
SMA 50	1,291.6
SMA 100	1,287.1
SMA 200	1,300.1

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices rose today and were set to post a small gain for a second week running, supported by tensions over Syria, whereas gold prices suffered their first loss in five sessions. Gold is pulling back after climbing to a roughly 2 1/2-month high a day earlier as the metal's haven status lost its appeal.
- The U.S Federal Reserve's March meeting minutes reinforced the view that more interest-rate hikes are on tap and concerns over an immediate U.S response to a suspected chemical-weapons attack in Syria eased in the wake of comments from President Donald Trump.
- Spot gold was up 0.1 percent at \$1,336.45 an ounce and was set for a weekly gain of 0.3 percent. U.S gold futures eased 0.2 percent to \$1,339.50 an ounce. Meanwhile, holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.69 percent to 865.89 tonnes yesterday.
- Higher interest rates can boost the dollar and dull demand for dollar-denominated commodities, although some camps will always consider gold a hedge should inflation run too hot, even if the Fed is raising rates.
- President Donald Trump and his national security aides yesterday discussed U.S options on Syria, where he has threatened missile strikes in response to a suspected poison gas attack, as a Russian envoy voiced fears of wider conflict between Washington and Moscow.
- U.S President Donald Trump said yesterday that the trade "negotiations" between Washington and Beijing were going well. So while prices are testing 5-year resistance, the financial climate remains more important than geopolitics.
- Holdings rose to their highest since June 2017 and were up about 3.5 percent so far this year, suggesting an increase in investor appetite for the metal, seen as a safe investment during times of financial and political uncertainties.

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 markets initially tried to rally yesterday but rolled over rather significantly and broke down below the \$66.50 level. This is starting to show signs of exhaustion, that could continue to go much lower. This market should continue to find buyers underneath, but it is forming a classic sell signal in this general vicinity. The attitude of this market will remain very volatile, that the uptrend line underneath should continue to be a major support level to show signs of the uptrend continuing. Longer-term, it looks as if it could continue to reach towards the \$70 level. Brent markets also pulled back during the trading session, as they are bit overextended. Economists believe that the \$70 level underneath will be supportive, as it was resistance previously, and of course it has support at the uptrend line. If it break down below the uptrend line, it should then go down to the \$65 level under that there.

Pivot:	67.05		
Support	66.00	65.20	64.35
Resistance	67.40	68.00	68.80

Source: FX EMPIRE

Highlights

- U.S crude oil prices notched late session turned to finished high
- Oil prices had spent much of the session trading lower after posting gains the last three sessions
- May West Texas Intermediate crude rose 25 cents, or 0.4%, to settle at \$67.07 a barrel
- U.S government report showed oil inventories rose by 3.3 million barrels, while production hit a record 10.53 million barrels per day
- OPEC production is below the 32.6 million bpd that shows its demand for its crude for the whole of 2018

Crude - Technical Indicators

RSI 14	31.91
SMA 20	48.72
SMA 50	48.27
SMA 100	51.11
SMA 200	56.32

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices held steady yesterday, remaining close to highs last reached in late 2014 on tensions over Syria and shrinking global oil inventories. Brent crude futures settled at \$72.02 a barrel, down 4 cents. U.S WTI crude futures were up 25 cents at \$67.07. Prices for both climbed in post-settlement trading.
- Some fundamental signals also supported prices. The Organization of the Petroleum Exporting Countries said the global oil stocks surplus was close to evaporating due to healthy demand and its own supply cuts.
- The Crude oil is producing below its targets, meaning the world needs to use stocks to meet rising demand. Oil futures contracts hold promise, but still has "a long way to go" before being accepted as a regional benchmark
- Oil production collapsed in OPEC member Venezuela and is still facing hiccups in countries such as Libya and Angola, the oil exporters' group is still producing below its targets meaning the world needs to use stocks to meet rising demand.
- The Organization of the Petroleum Exporting Countries said in its monthly report oil stocks in the developed world reversed a rise in January to fall by 17.4 million barrels in February to 2.854 billion barrels, around 43 million barrels above the latest five-year average.
- Stock levels are now 207 million barrels below their level in February 2017, with crude stocks in a surplus of 55 million barrels and product stocks in a deficit of 12 million. The figure is below the 32.6 million bpd that OPEC sees as demand for its crude for the whole of 2018.
- U.S shale oil output has been booming over the past year since OPEC reduced its own production in tandem with Russia to prop up global oil prices. China has emerged as a major force in the oil market, the taking in 8.5 million barrels a day in 2017 to surpass the U.S. as the world's biggest crude importer.

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 down a bit yesterday, slicing through the one \$16.60 level. It looks likely that we are going to go down to the \$16.50 level to find support. This market is going to continue to react to headlines more than anything else, and that the tension between the US and China calming down will continue to put downward pressure. However, the longer-term it will find buyers for lower pricing in a bit of a bounce to take advantage of value. The market should be rather noisy, but it will eventually go to the \$16.80 level, and then the \$17 level after that. In general, Economists believe that the market will go looking towards the \$17 level, but it might take some time to get there. Buying value is the best way to play these precious metals markets, and the silver continues to be one that offers not only short-term trades. Longer-term, it will go towards the \$20 level.

Pivot:	16.48		
Support	16.41	16.33	16.25
Resistance	16.55	16.69	16.80

Source: FX EMPIRE

Highlights

- Silver seems as a safe investment during times of financial and political uncertainties
- Spot silver rose 0.3 percent to \$16.48 per ounce and up nearly 1 percent so far this week
- Global economic growth was a blessing and curse for 2017 silver demand but it also contributed to a steep drop in investment demand for the metal
- Silver continues to be one that offers not only short-term trades, but also the ability to invest in
- Global stocks were poised for their biggest weekly gain in over a month, as investors shrugged off tensions while the dollar slipped

Silver - Technical Indicators

RSI 14	37.92
SMA 20	16.60
SMA 50	17.09
SMA 100	17.05
SMA 200	16.83

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver fell 0.8 percent to \$16.49 an ounce after hitting its highest in nearly two months at \$16.87 in the previous session. Meanwhile, global silver physical demand dropped to its lowest level in five years during 2017, led largely by a steep decline in coin and bar demand, even as industrial demand increased.
- China's commerce ministry said that trade negotiations with the United States would be impossible as Washington's attempts at dialogue were not sincere, and vowed to retaliate if U.S President Donald Trump escalates current tensions.
- The market saw a "considerable drop in the appetite for silver bars and coins due to robust-performing economy growth, which makes the bull-case narrative for investing in precious metals more challenging.
- Silver futures climbed by more than 7% last year and Comex silver was up roughly 2.5% for the month so far, but down 2.7% year to date. Record photovoltaic growth fed the rise in industrial demand, climbing 19% in 2017 to 94.1 million ounces, on the back of a 24% rise in global solar-panel installations.
- Indentifiable investment demand, however, which consists of physical bar investment and coins and medals purchased, as well as net changes to exchange-traded product holdings, dropped by 40% from 2016 to 153.5 million ounces. Coin and bar demand dropped 27% last year to 151.1 million ounces.
- All in all, global physical demand for silver fell by 2% last year to an estimated 1.0176 billion ounces, and total silver supply edged down by 1.8% to 991.6 million ounces. That left a total physical silver supply deficit of 26 million ounces.
- Solar has been the darling of the industry, Johann Wiebe, lead metals analyst. Much like palladium has been for the precious-metal industry, solar has been for silver. A rally in the U.S dollar is also prompting selling pressure in the precious metals markets.

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, April 13, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri April 13	17:00	USD Fed's Rosengren Speaks on Economic Outlook	Low			
Fri April 13	18:00	CAD Existing Home Sales (MoM) (Mar)	Medium			-6.5%
Fri April 13	19:00	USD JOLTS Job Openings (Feb)	Low			6312
Fri April 13	19:00	USD U. of Mich. Sentiment (Apr P)	High		100.5	101.4
Fri April 13	19:00	USD U. of Mich. Current Conditions (Apr P)	Low			121.2
Fri April 13	19:00	USD U. of Mich. Expectations (Apr P)	Low			88.8
Fri April 13	19:00	USD U. of Mich. 1 Yr Inflation (Apr P)	Low			2.8%
Fri April 13	22:00	USD Baker Hughes U.S. Rig Count (Apr 13)	Medium			1003
Fri April 13	22:00	USD Fed's Kaplan Speaks in Odessa	Low			

Source: Forex Factory, DailyFX

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