

Gold

Technical

Gold prices rebounded from session lows following a report that showed large options interest in out of the money calls which helped buy prices during the North American Trading session. Forty six thousand contracts of the GLD gold ETF were purchased as investors bet the prices would rise by May 18. Housing starts in the U.S. rebounded after falling in February. Gold prices bounced from support near the 10-day moving average at 1,339. Resistance on the yellow metal is seen near the April highs at 1,365. Prices need to close above the 1,365 level for an uptrend to resume. Momentum is positive as the MACD histogram prints in the black with a rising trajectory which points to higher prices. U.S March housing starts rebounded 1.9% to 1.319 million after falling 3.3% to 1.295 million which was revised from 1.236 million, January starts were bumped up to 1.339 from 1.329 million.

Pivot:	1,344		
Support	1,341	1,337	1,334
Resistance	1,349	1,352	1,358

Source: FX EMPIRE

Highlights

- Gold prices settled modestly lower yesterday, following gains in the last two sessions
- Industrial production rose 0.5 percent in March after jumping 1.0 percent in February
- Stocks climbed on the back of upbeat earnings and the dollar drifted a bit higher, with news on the geopolitical front quiet for now
- A lack of escalation in the trade tensions between China and the U.S has also emboldened investors
- Gold rallied to a 2-1/2 month high last week as heightened tensions over Syria and U.S sanctions on Russia sparked a drop in equities

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 slipped today while the dollar held its gains on the back of upbeat March U.S housing starts and industrial production figures. Spot gold fell 0.2 percent to \$1,344.20 per ounce, while U.S gold futures for June delivery dipped 0.2 percent to \$1,347.50 per ounce
- The International Monetary Fund warned that rising U.S and China trade restrictions threaten to damage a steady global growth picture, but there was still time for the world's two largest economies to step back from the brink.
- The dollar index, measures the greenback against a basket of currencies, was little changed at 89.556, after gaining 0.1 percent overnight. The index touched a three-week low of 89.229 yesterday before pulling back on stronger-than-expected March U.S housing starts and steady industrial production figures.
- June gold eased back by \$1.20, or just under 0.1%, to settle at \$1,349.50 an ounce, giving back about half of Monday's 0.2% gain. Gold tallied a rise of roughly 0.8% last week at the highest finish since late January.
- Gold was held back today, because of the equity market rally, which has reduced the appeal of safe-haven assets. However, with the Syrian and Russian situations lurking in the background, the dips remain shallow for now.
- U.S inflation to rise to the U.S central bank's 2-percent goal this year and stay at or above that goal for "another couple of years," even as the Fed continues to raise interest rates. the inclusion on a U.S sanctions list of a member of the family that controls Russia's biggest gold producer would not lead to changes in the way the company conducted its business.
- President Donald Trump said that the United States was engaged in direct talks at "extremely high levels" with North Korea to try to set up a summit between him and its leader.

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 drifted a bit lower yesterday. Economists believe that the market has plenty of support underneath though, but it could drift even further before the buyers return. The Oil market went sideways initially during the trading session yesterday but drifted towards the \$65.50 level. That's an area that was minor resistance in the past, so it makes sense that it might bounce from there. The market breaking below the \$65.50 level could send the WTI traders looking for the uptrend line below, which is closer to the \$63 level. The Brent market drifted a bit lower, reaching down towards the \$70 level. That's an area that has been resistance in the past, so it should now be support. There is also support underneath that the uptrend line, so it's only a matter of time before the buyers get involved. If it break down below the uptrend line, that could change a lot of things.

Pivot:	66.83		
Support	66.05	65.70	65.20
Resistance	67.20	67.75	68.20

Source: FX EMPIRE

Highlights

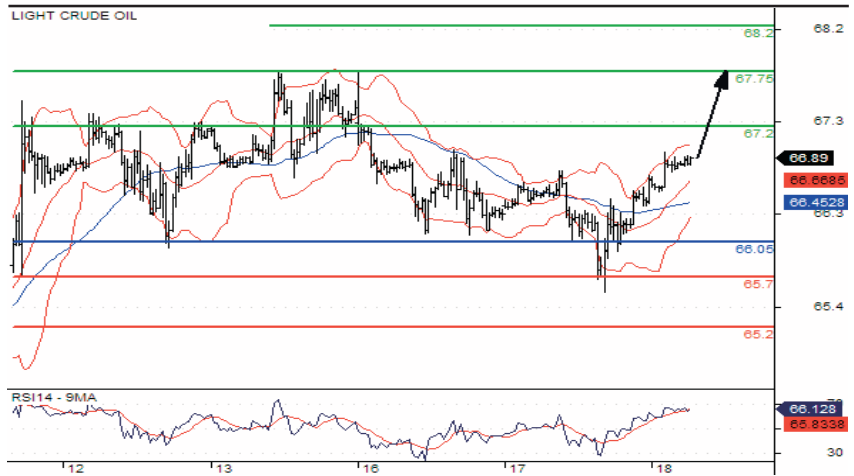
- Oil ends higher after finding support from political jitters to tilt higher by the finish
- U.S crude imports fell last week by 644,000 barrels per day to 7.9 million bpd
- A rise of 625,000 barrels for crude stockpiles, along with supply declines of 1.9 million barrels for gasoline and 1.6 million for distillates
- United States and allies launched air strikes on Syria, raising concerns about continued access to regional crude supplies
- Uncertainty over the Iran nuclear deal to continue to support prices through May 12

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 rose on Tuesday, as support from the possibility of supply disruptions and a strong equities market offset the effects of profit-taking following last week's rally above three-year highs.
- Brent crude oil futures gained 16 cents to settle at \$71.58 a barrel, while U.S crude futures rose 30 cents to settle at \$66.52. Brent has risen 1.8 percent so far this month. It hit a peak last week of \$73.09, the highest since late 2014.
- U.S crude, gasoline and distillate inventories fell last week, as imports dropped. Crude inventories fell by 1 million barrels in the week to April 13 to 428 million, compared with analyst's expectations for a decrease of 1.4 million barrels.
- Gasoline stocks fell by 2.5 million barrels, compared with expectations for a 227,000-barrel decline. Distillate fuels stockpiles, which include diesel and heating oil, fell by 854,000 barrels, compared with expectations for a 268,000-barrel drop.
- May West Texas Intermediate crude edged up by 61 cents, or 0.9%, to \$67.13 a barrel, after closing up 0.5%. June Brent the global crude benchmark, gained 65 cents, or 0.9%, to \$72.23 a barrel, after inching up 0.2%.
- Crude stocks at the Cushing, Oklahoma, delivery hub fell by 1 million barrels. Refinery crude runs fell by 35,000 barrels per day, API data showed. U.S supply data is likely to swing more into focus as geopolitical tensions surrounding Syria have receded somewhat.
- Strip away geopolitical risk that seems to have evaporated, to a certain degree, in the aftermath of the Syrian strikes, and you still have a crude oil market that is supported by strong demand for product and supported by OPEC production cuts. Oil traders were also awaiting the possible reimposition of sanctions against Iran, which could spark a rise in 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

The Silver markets were very noisy yesterday, as it continue to see a lot of volatility around the world. The market found support just above the \$16.55 level during trading, and then went much higher as market participants got very bullish. The market will continue to see a lot of volatility going forward, as Silver is notoriously volatile anyway. Economists believe that the US dollar will have the usual influence on this market, as the US dollar falling in value will help lift the Silver markets higher. The \$16.50 level is going to be a certain amount of support for the market. Buying dips will continue to be buying opportunities, but it would be cautious about putting too much money to work. The \$16 level underneath is essentially the “floor” in the market, just as the \$17 level above is resistance. If it can break above the \$17 level, the market could go to the \$17.25 level.

Pivot:	16.72		
Support	16.56	16.42	16.33
Resistance	16.87	16.97	17.08

Source: FX EMPIRE

Highlights

- Silver futures were up 0.32% to \$16.84 a troy ounce
- A lack of fundamentals is keeping the precious metal tied tightly to 2018's range
- Higher rates tend to boost the dollar, making greenback-denominated silver more expensive for buyers using other currencies
- Trump accused Russia and China of devaluing their currencies while the U.S raises interest rates
- The central bank will remain behind the inflation curve, which would keep real interest rates low, supporting silver prices

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 rose 0.7 percent to \$16.72 per ounce. There is potential for silver prices as the silver ratio is too high, the ratio currently trading at 80.36 points. May silver futures traded at \$16.74 an ounce, up 0.38% on the day.
- The market has an abundant, liquid above-ground supply that bearish positioning in silver is unsustainable. This leaves the market extremely vulnerable to short covering although time could be running out.
- Markets are once again focusing upon global growth, U.S equities and the continued trade dispute between the United States and China. These polar opposite factors have created a scenario for silver pricing that is supportive of current pricing, and at the same time is limiting any major upside price moves.
- Economists expect inflation prints to remain high and nudge closer to 3% into summer now that a distortion from cell phone data pricing drops out of annual comparisons, as well as support from a weaker dollar.
- The market is increasingly skewed to the upside but it will need to be nudged into taking outright positions through an initial breakout in prices. Along with higher inflation, ING is also bullish on silver as analysts see market volatility rising because of ongoing geopolitical turmoil.
- U.S equities continuing to make their dramatic ascent indicates a market sentiment that favors the risk-on asset class, as well as a modestly higher U.S dollar. Although concerns still exist in regards to recent geopolitical events such as the military action in Syria, these concerns have become minimized.
- A sharp silver ratio reversal will likely take out the silver shorts before the funds show further fatigue. The metals market also saw good news from major metals importer China, with the nation's annual economic growth coming in at 6.8% in the first quarter, which was slightly higher than expected and on pace with 2017's gross domestic product growth rate.

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

Wednesday, April 18, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed April 18	13:30	GBP Consumer Price Index (YoY) (MAR)	High	2.5%	2.7%	2.7%
Wed April 18	13:30	GBP Core Consumer Price Index (YoY) (MAR)	High	2.3%	2.5%	2.4%
Wed April 18	16:00	USD MBA Mortgage Applications (APR 13)	Medium			-1.9%
Wed April 18	19:00	CAD Bank of Canada Rate Decision (APR 18)	High		1.25%	1.25%
Wed April 18	19:30	USD DOE U.S. Crude Oil Inventories (APR 13)	Medium			3306k
Wed April 18	19:30	USD DOE Cushing OK Crude Inventory (APR 13)	Low			1129k
Wed April 18	19:30	USD DOE U.S. Gasoline Inventories (APR 13)	Low			458k
Wed April 18	19:30	USD DOE U.S. Distillate Inventory (APR 13)	Low			-1044k
Wed April 18	23:00	USD U.S. Federal Reserve Releases Beige Book	Medium			

Source: Forex Factory, DailyFX

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