

Gold

Technical

Gold markets went back yesterday, rallying slightly as the Americans were away celebrating the Independence Day holiday. This made for a thin market, so it would not take too much to heart with the move to the upside, but it is essentially in a situation where it should be waiting for signs of exhaustion that it can start selling. Gold has recently broken below a major uptrend line, and of course the US dollar continues to strengthen overall. However, in the Forex world the US dollar has given back a little bit of the gains, as it may have gotten a bit overbought and was due for a correction. The market will eventually go looking towards the \$1200 level, at this point some type of exhaustive set up to take advantage of the US dollar being offered "on the cheap. This will continue to be very noisy market. If it break above the \$1275 level should send this market looking towards the \$1285 level.

Pivot:	1,254		
Support	1,251	1,248	1,245
Resistance	1,258	1,261	1,265

Source: FX EMPIRE

Highlights

- Gold held steady near 1,255.00 after peaking at 1,261.00 yesterday while, support remains thin with the precious metal hanging near key lows
- A weaker U.S dollar makes dollar-priced gold cheaper for non-U.S investors
- Gold is often regarded as a safe haven during times of political and financial uncertainty
- Gold surged from seven-month lows this week as the US Dollar eased off pressure but the bull run has come against resistance near 1,260
- A receding US Dollar is giving Gold a chance to rebound from recent lows

Gold - Technical Indicators

RSI 14	70.21
SMA 20	1,260.3
SMA 50	1,259.1
SMA 100	1,258.9
SMA 200	1,257.5

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices were little changed early today, after hitting a one-week high in the previous session, as the dollar eased and the markets awaited minutes from the U.S Federal Reserve's June policy meeting later in day.
- Spot gold held steady at \$1,256.02 an ounce. The metal touched a one-week high at \$1,261.10 in the prior session and gained over \$20 from Tuesday's low of \$1,237.32 an ounce, which was its weakest since Dec. 12. U.S gold futures were up 0.3 percent at \$1,257.20 an ounce.
- The dollar index, which measures the greenback against a basket of six major currencies, was 0.1 percent lower at 94.565. Investors are awaiting the outcome of a two-day U.S Federal Reserve policy meeting to be announced.
- Gold has been trending lower for several weeks and this being U.S non-farm payrolls week the dollar is likely to remain in range, so people are taking profit on dollar and gold positions.
- World stocks were flat amid growing anxiety ahead of Washington's end of week deadline to impose tariffs on Chinese imports. Since the trade wars have been doing the rounds, if anything we've seen gold come lower. But if it continues to escalate gold could go only one way and that's higher.
- China is putting pressure on the European Union to issue a strong joint statement against U.S President Donald Trump's trade policies at a summit later this month but is facing resistance.
- Trade barriers being erected by major economies could jeopardise the global economic recovery and their effects are already starting to show, the World Trade Organization said yesterday in a report on trade restrictions among G20 nations. On Friday, the U.S is scheduled to impose tariffs on \$34 billion of Chinese goods.

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

The WTI Crude Oil market has been slightly negative in the CFD markets yesterday, as the \$75 level has been major resistance over the last couple of days. The lack of liquidity due to the holiday of course will have an effect, but ultimately it could very well break above this level as supply disruption continues to be an issue. As the US dollar has kept this market a little bit softer than it may have been as the greenback has strengthened. A break above \$75 allows the market to go to the \$77.50 level above. Brent markets have gone back and forth during the last couple of trading sessions after initially gapping lower to start the week. This is a bit of a divergence from the WTI market, so it will continue to go back and forth and trade in a range bound manner. Overall, the \$75 level underneath will be massive support, just as the \$80 level above will be massive resistance.

Pivot:	74.47		
Support	74.00	73.55	72.90
Resistance	74.90	75.25	75.65

Source: FX EMPIRE

Highlights

- Oil prices fell after demanding that OPEC cut prices for crude
- Recent price rises have also been spurred by a U.S announcement that it plans to re-introduce sanctions against Iran from November
- An increase in global or regional oil production would have downward pressure on prices
- Crude inventories fell by 4.5 million barrels in the week to June 29 to 416.9 million
- OPEC together with a group of non-OPEC producers led by Russia started to withhold output in 2017 to prop up prices

Crude - Technical Indicators

RSI 14	37.55
SMA 20	70.29
SMA 50	70.33
SMA 100	70.49
SMA 200	70.64

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell today after U.S President Donald Trump urged the world's major oil producing countries to do more to stabilize oil markets. The escalating trade row between Washington and Beijing, which triggered another sell-off in Asian stocks, was also felt in oil markets.
- Brent crude futures were at \$77.68 per barrel, down 56 cents or 0.7 percent, from their last close. U.S West Texas Intermediate crude futures were down 45 cents or 0.6 percent, at \$73.69 per barrel.
- The OPEC Monopoly must remember that gas prices are up & they are doing little to help. If anything, they are driving prices higher as the United States defends many of their members for very little \$'s. This must be a two way street. **REDUCE PRICING NOW!** Trump said in a tweet yesterday.
- With contentious midterm U.S elections looming, the President continues to strong-arm Saudi Arabia to increase oil supplies which, at least for now, is containing price action below WTI \$75 per barrel.
- Looming U.S sanctions against major oil exporter Iran also received some attention, as the U.S government said it wants to shut Iran's oil exports out of the market from November.
- A key driver of the rise in prices has been the OPEC-Russia deal to cut oil output, compounded by collapsing Venezuelan production and the U.S decision to end the Iran deal.
- OPEC and Russia were willing to raise output to address concerns of emerging supply shortages due to unplanned disruptions from Venezuela to Libya, and likely also to replace a potential fall in Iranian supplies due to U.S sanctions.

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 been very noisy yesterday, as the Americans were away to celebrate Independence Day. At this chart, it's obvious that the market is trying to go back and forth around the \$16 level, but the \$16.15 level above is important, and if it can break above there it's likely that the market continues to go higher, perhaps reaching towards the \$16.50 level. The alternate scenario of course is that it break down, and a move below the \$15.80 level opens the door to the \$15.50 level next. The market is gripping with the idea of global trade slowing down, and of course a strengthening US dollar longer-term. Economists believe that silver continues to find a lot of noise in this region, but the \$15.50 level is even more important, so it would become an aggressive buyer at that point. A lot of longer-term investors are waiting down in that area, looking to pick up silver on the cheap.

Pivot:	16.02		
Support	15.97	15.90	15.82
Resistance	16.09	16.14	16.23

Source: FX EMPIRE

Highlights

- Silver prices were 0.1 percent higher at \$16.03 an ounce
- Silver rises for third straight session, as dollar traded flat
- U.S Dollar eased and the markets awaited minutes from the U.S Federal Reserve's June policy meeting later in day
- Gold prices should push higher as rising inflation pressures push down real interest rates
- Rising interest rates have caused a substantial increase in real interest rates. Inflation is weighing on sentiment in the precious metals sector

Silver - Technical Indicators

RSI 14	53.61
SMA 20	16.29
SMA 50	16.28
SMA 100	16.28
SMA 200	16.25

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver futures rose from December 13 lows as the dollar index traded flat, ahead of important data from the US, the world's largest economy, and after the American market closed yesterday for the Independence Day bank holiday.
- Silver prices are moderately higher on some short covering in the futures markets and perceived bargain-basement buying in the cash markets. Silver futures due on September 15 rose 0.26% to \$16.09 an ounce from the opening of \$16.05, while the dollar index barely inched up to 94.54 from 94.53.
- Markets await data on the ADP Non-Farm Employment Change, expected to show 190 thousand new jobs created in the private sector in the US last month, up from 178K in May, while the payrolls report on Friday is expected to show an unemployment rate at 3.8%, and average hourly earnings up 0.3%.
- The economy is estimated to have created 195 thousand new jobs overall in June, down from 223K in the previous official payrolls report, while unemployment claims are expected to have dipped by 2 thousand to 225 thousand in the week ending June 30.
- Investors also await the release of the Federal Open Market Committee's minutes for the June 12-13 meeting, at which policymakers raised interest rates by 25 basis points for the second time this year to below 2.0% as expected.
- Fed's minutes give a clearer look into the insides of policymakers' decisions and deliberations, including their forecasts for three-year inflation, employment, growth, and interest rates, and they are slated for release next Thursday.
- Silver bulls remain stymied by their metals' inability to rally in the face of the threat of a global trade war and some fresh instability in the European Union. The ISM non-manufacturing PMI is expected to have slipped to 58.3 in June from 58.6 in May.

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

Thursday, July 05, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs July 05	17:15	USD ADP Employment Change (JUN)	Medium		190k	178k
Thurs July 05	17:30	USD Initial Jobless Claims (JUN 30)	Medium		225k	227k
Thurs July 05	17:30	USD Continuing Claims (JUN 23)	Medium		1718k	1705k
Thurs July 05	19:00	USD ISM Non-Manufacturing/Services Composite (JUN)	High		58.2	58.6
Thurs July 05	20:00	USD DOE U.S. Crude Oil Inventories (JUN 29)	Medium			-9891k
Thurs July 05	20:00	USD DOE Cushing OK Crude Inventory (JUN 29)	Low			-2713k
Thurs July 05	20:00	USD DOE U.S. Gasoline Inventories (JUN 29)	Low			1156k
Thurs July 05	20:00	USD DOE U.S. Distillate Inventory (JUN 29)	Low			15k
Thurs July 05	23:00	USD FOMC Meeting Minutes (JUN 13)	High			

Source: Forex Factory, DailyFX

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