

## Gold

### Technical

Gold markets fell a bit during the trading session yesterday, reaching down towards the \$1293 level, before bouncing significantly in reaching towards the \$1300 level. The market should continue to be noisy, and of course influenced by geopolitical events, something that continues to be a serious threat. Economists believe that eventually the Gold markets will rally, but that's a longer-term call and it recognize that short-term investors are going to struggle to hang onto large positions. Market players think that the \$1306 level above is roughly where the selling is, with the \$1290 level underneath should offer support. Until it break out of this range, there isn't a lot to do as far as longer-term trading is concerned. That doesn't mean it can't profit from this, just that it should keep expectations in line with reality, meaning that short-term trading is probably about as good as it gets.

Pivot:	1,295		
Support	1,292	1,290	1,287
Resistance	1,300	1,303	1,306

Source: FX EMPIRE

### Highlights

- Gold prices fell below \$1,300 an ounce yesterday to finish at one-week low in wake of Trump-Kim pact
- Gold traded sideways to lower based on rising U.S interest rates and a strengthening U.S dollar
- Gold is highly sensitive to U.S interest rates, which lift the opportunity cost of holding non-yielding bullion and boost the dollar, in which it is priced
- Dollar-denominated assets such as gold are sensitive to moves in the dollar
- The Fed is widely expected to raise interest rates for the second time this year

### 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 were steady today after falling to one-week lows the session before, with investors waiting for the conclusion of the U.S Federal Reserve's meeting later in the day for clues on the timing of future interest rate hikes.
- The rate hike is almost a done deal, it is quite clear that they will most likely increase rates by another 25 basis points, but the market watchers are looking very closely on the language rather than the rate hike.
- The metal is highly sensitive to U.S interest rates, which lift the opportunity cost of holding non-yielding bullion and boost the dollar, in which it is priced. Investors will be looking very closely to see if there's any forward guidance that will indicate if there will be a fourth rate hike into the year-end.
- Spot gold was little changed at \$1,295.30 per ounce. It touched a one-week low of \$1292.60 in the previous session. U.S gold futures for August delivery were 0.04-percent lower at \$1,298.90 per ounce.
- U.S monthly consumer inflation rose moderately in May, suggesting the Federal Reserve could continue to gradually raise interest rates this year. Further weakness in gold prices heading into the Fed meeting, as the dollar might rally going into the policy statement.
- Beyond the Fed, the ECB meeting tomorrow will also be important. Both the meetings have come hand-in-hand in trying to think about how gold prices will move.
- The dollar, which measures the greenback against a basket of six major currencies, was up 0.3 percent at 110.66 yen, its highest since May 23. It has climbed by roughly 4% so far this quarter, helping to put pressure on dollar-denominated gold prices, which have lost roughly 2% for the quarter, according to FactSet Data.

### 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 Oil market initially dipped yesterday session but turned around the show signs of strength and gain 0.75%. The \$67 level above will be resistance, but it will probably break above it, because it is minor in its resistance and support over the past. Economists think that if it can break above there, the market should continue to go towards the \$68 level and beyond. Short-term pullbacks should be supported down at the \$65 level, and if it broke down below the \$64.50 level, the market could unwind rather rapidly. However, the rounded bottom in this market suggests that it is trying to build up the upward momentum. Brent markets were very noisy as well, initially pulling back to the \$76 level, an area that has seen some action as of late. It looks like it could go higher. If it break down below the \$74 level, that would negate everything and send this market much lower.

Pivot:	65.94		
Support	65.50	65.20	64.85
Resistance	66.35	66.70	67.00

Source: FX EMPIRE

### Highlights

- U.S Oil prices finished higher for a second session, but Brent oil falls after OPEC report
- Prices got a boost ahead of data that are expected to show a weekly fall in domestic crude inventories
- Oil market outlook in the second-half of 2018 is highly uncertain and warned of downside risks to demand
- OPEC oil production increased by 35,000 barrels a day in May to average 31.87 million bpd
- Iraq, Iran, and Venezuela have all made comments declaring that OPEC should resist pressure to increase oil supplies

### 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

- Oil prices fell today, pulled down by rising supplies in the United States and expectations that voluntary output cuts led by producer cartel OPEC could be loosened.
- Brent crude futures, the international benchmark for oil prices, were at \$75.65 per barrel, down 23 cents or 0.3 percent, from their last close. U.S West Texas Intermediate (WTI) crude futures were at \$65.99 a barrel, down 37 cents or 0.6 percent from their last settlement.
- The Organization of the Petroleum Exporting Countries (OPEC), together with some non-OPEC producers including Russia, started withholding output in 2017 to reduce a global supply overhang and push up prices.
- In the United States, the American Petroleum Institute (API) reported yesterday that crude oil inventories rose by 830,000 barrels in the week to June 8, to 433.7 million.
- The rising stocks are in part a result of the surge in U.S crude oil production, which has jumped by 28 percent in the last two years, to a record 10.8 million barrels per day.
- With output in Russia rising back above 11 million bpd in June and Saudi production climbing back above 10 million bpd, supplies from the top three producers are increasing.
- With rising production from U.S shale adding to oil's woes and reviving oversupply concerns, further downside could be a possibility in the short to medium term. Official U.S production and inventory data is due to be published today by the Energy Information Administration (EIA).

### 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 pulled back a bit during the trading session yesterday, reaching towards the \$16.75 level before bouncing significantly in reaching towards the \$16.90 level above. Economists think that the \$17 level above will of course offer a significant amount of resistance based upon the psychology of the round number, but ultimately it probably break above there and go looking towards the \$17.50 level. The market underneath is well supported various levels, not the least of which would be the \$16.50 level. The easiest way to trade Silver, is to buy physical silver and cash in later due to it being an investment. Market players think that the “ceiling” in the market right now is closer to the \$20 level, and if it break above there it will see an explosion to the upside. Short-term pullbacks continue to offer an investment opportunity occasionally, and eventually it will break out.

Pivot:	16.80		
Support	16.73	16.60	16.51
Resistance	16.94	17.00	17.10

Source: FX EMPIRE

### Highlights

- Silver fell 0.4 percent to \$16.78 an ounce. It hit a seven-week high of \$16.95 in the previous session
- The metal poked above its sideways corridor and threatened \$17
- Silver price were to exceed the \$17 mark, this could lure in further buyers and continue the price rise
- July Comex silver was last down \$0.122 at \$16.825 an ounce
- Silver has certainly made good some ground in recent 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 fell on Tuesday away from seven-week highs as demand fell on commodities and dollar recovered against major rivals. Silver inched down to \$16.88 an ounce from the opening of \$16.89, with an intraday high at \$16.92, and a low at \$16.84.
- Optimism is growing in the market over the US-North Korea summit, underpinning dollar and hurting demand on traditional safe havens such as gold and silver. Investors also await the Federal Reserve's policy meeting this week, expected to hike interest rates and offer yet more support to the dollar and heap pressure on commodities.
- Silver markets did not react significantly to the just-concluded U.S and North Korea summit. CPI for May came in at up 0.2% from April and up 2.8%, year-on-year. Those numbers were in line with market expectations and had little impact on the markets.
- The world marketplace is taking in stride the apparent positive conclusion of the summit meeting on denuclearization between U.S President Donald Trump and North Korean President Kim Jong Un.
- Attention will quickly turn to the Federal Reserve's Open Market Committee meeting that ends today afternoon with a statement. It is widely expected the FOMC will raise U.S interest rates by 0.25% at this meeting.
- Silver, U.S Treasuries and the world currency markets were showing muted reactions to the summit's conclusion, probably because investors realize there are going to be lots of twists and turns on the road to complete denuclearization of North Korea, but still reckon this is a good start.
- World stock markets were mixed to weaker after the meeting, with U.S stock indexes set to open steady to slightly lower when the New York day session begins.

### 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

## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed June 13	05:30	AUD Westpac Consumer Confidence (JUN)	Medium	0.3%		-0.6%
Wed June 13	13:30	GBP Consumer Price Index (YoY) (MAY)	High		2.4%	2.4%
Wed June 13	13:30	GBP House Price Index (YoY) (APR)	Medium			4.2%
Wed June 13	14:00	EUR Euro-Zone Industrial Production w.d.a. (YoY) (APR)	Medium		2.7%	3.0%
Wed June 13	16:00	USD MBA Mortgage Applications (JUN 08)	Medium			4.1%
Wed June 13	17:30	USD Producer Price Index Ex Food and Energy (YoY) (MAY)	Low		2.3%	2.3%
Wed June 13	19:30	USD DOE U.S. Crude Oil Inventories (JUN 08)	Medium			2072k
Wed June 13	23:00	USD FOMC Rate Decision (Upper Bound) (JUN 13)	High		2.00%	1.75%
Wed June 13	23:00	USD FOMC Rate Decision (Lower Bound) (JUN 13)	High		1.75%	1.50%

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	(Deputy 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