

## Gold

### Technical

Gold markets continue to look soft, as demand for US dollars seems to be increasing. The \$1275 level has been important in the past, so now that it has broken down below there, the market could open up towards the \$1250 level. That doesn't mean it get there in one shot obviously, and therefore these short-term rally should be selling opportunities. In fact, a lot of resistance extending to the \$1285 level above, so therefore it would be a seller of exhaustive candles in the short term. Short-term buying opportunities can present themselves, just as a longer-term selling opportunities could. At this point, it makes sense that the \$1250 level would be targeted, and it would anticipate to see quite a bit of support in that area. Economists believe that the summer will feature a strengthening US dollar, so that should continue to plague Gold markets overall. However, trading is a completely different animal.

Pivot:	1,268		
Support	1,261	1,255	1,249
Resistance	1,270	1,276	1,280

Source: FX EMPIRE

### Highlights

- Gold prices sank to six-month lows as investors sold holdings and the dollar climbed due to expectations of higher interest rates
- Gold has rebounded a little bit from the lower side due to the weakness in the dollar
- The trade war is affecting gold for the time-being. Unless the dollar weakens, do not expect gold to move too high
- A weaker greenback makes dollar-denominated gold cheaper for holders of other currencies
- Higher interest rates would typically see investors divest gold

### 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 inched up early today after hitting a 6-month low the session before, with the dollar retreating from an 11-month peak. Meanwhile higher U.S interest rates and the prospect of further rises later this year have seen the dollar against a basket of other major currencies climb to its highest since last July.
- Spot gold was 0.1-percent higher at \$1,268.24 an ounce. It touched its lowest since Dec. 19 at \$1,260.84 yesterday. U.S gold futures for August delivery were nearly unchanged at \$1,270.20 per ounce.
- The dollar index, which measures the greenback against a basket of six major currencies, stood at 94.818. It hit 95.529 in the previous session, its highest since mid-July 2017.
- The number of Americans filing for unemployment benefits unexpectedly fell last week, pointing to a further tightening in labour market conditions. Uncertainty would normally fuel demand for gold as a safe haven, which it would see in the physically backed products, but instead it is seeing outflows from the U.S products.
- An increasingly shrill exchange of words between the United States and China that is threatening to trigger a global trade war has claimed another victim - Germany's auto sector.
- Russia produced 51.6 tonnes of gold in the first three months of 2018, up from 50.9 tonnes in the same period in 2017. If the decline continues, it would expect to see bullion testing the lows reached last December, near \$1,240.
- Hundreds of feet below thick boreal forest blanketing the Canadian Shield, a squad of near-silent, battery-powered machines are tunneling toward gold in a multimillion-dollar mining experiment to ditch diesel.

### 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 gone back and forth during the session yesterday. The major uptrend line on the chart has held, as it can see on the chart attached to this article. This is a marketplace that continues to be very volatile, so it would be very cautious about my position sizing. Economists think that the market is going to be very erratic over the next 24 hours, but if it can hold the uptrend line, that's a very bullish sign longer-term. Brent markets fell a bit during the day and were much more negative than the WTI markets during the day. The market will probably continue to see \$72.50 level underneath offering support. If it was to break down below the \$72.50 level, that would be very negative and should send this market looking towards the \$72 level underneath, and possibly the \$70 level. The \$75 level will continue to offer a bit of the ceiling.

Pivot:	66.39		
Support	65.80	64.90	64.40
Resistance	66.95	67.35	68.00

Source: FX EMPIRE

### Highlights

- Oil prices climbed on uncertainty ahead of OPEC meeting
- The market has since tightened significantly, pushing up crude prices
- An approximate 300,000–600,000 barrels per day (bpd) hike by Saudi Arabia and Russia collectively
- OPEC member Ecuador's oil minister Carlos Perez said he expects an increase of about 600,000 bpd
- OPEC to slightly increase output to make up for some unplanned supply disruptions from places such as Venezuela

### 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 climbed more than 1% today, with all eyes on OPEC and its allies as they meet in Vienna. Whereas crude oil fell more than 2 percent yesterday ahead of a meeting of the OPEC, where producers were expected to boost output to stabilize prices.
- OPEC, however, was struggling to agree on raising output, with Saudi Arabia warning of supply shortages and price rallies but Iran holding out against a deal at the group's meeting.
- Brent crude fell \$1.69 to settle at \$73.05 a barrel. U.S West Texas Intermediate crude for August delivery, the new front month, fell 17 cents to \$65.54 a barrel, and was down 68 cents from the July contract's expiry on Wednesday at \$66.22.
- The OPEC, a producer cartel de-facto led by top exporter Saudi Arabia, is meeting together with some non-OPEC members including top producer Russia at its headquarters in the Austrian capital to discuss output policy.
- Oil prices were under pressure earlier this week after U.S President Donald Trump said on Monday that he has ordered the U.S Trade Representative to identify \$200 billion worth of China goods for additional tariffs, escalating a trade dispute between the world's two largest economies.
- It was reported earlier this week that China is considering to impose tariffs on U.S crude imports. The 25% duty on U.S crude imports, should it be implemented, could potentially make American oil uncompetitive in China.
- If China's import demand dries up, more than 300,000 bpd of U.S crude will have to find a new destination," energy consultancy FGE said, adding that "this will certainly depress U.S Gulf Coast 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

Silver markets went back and forth yesterday, bouncing around the \$16.25 level. The market continues to be very noisy as it has seen over the last several days, and this is typical for Silver markets as they are very volatile. With the US dollar strengthening the way it has over the last several weeks, it makes sense that Silver prices are a bit depressed. It is currently dancing around the \$16.25 level, an area that has been important more than once, and there is even more support underneath at the \$16 level. If it break down from here, it believe that the \$16 level is even more crucial and more importantly, supportive. Economists believe that the market will continue to be very difficult, but for longer-term, buying silver at these depressed prices makes a lot of sense. Longer-term it will go looking towards the \$20 level. It would not be a seller down at this lower level though.

Pivot:	16.31		
Support	16.17	16.12	16.02
Resistance	16.38	16.55	16.63

Source: FX EMPIRE

### Highlights

- Silver was up 0.1 percent at \$16.32 an ounce, it feel the heat of strong U.S dollar as there is inverse relationship between silver and dollar
- Silver fell to its lowest since May 2 at \$16.16 in the previous session, and was on course for a 1.4 percent decline this week
- The strong U.S dollar has been directly responsible for 85% of the recent decline in silver prices
- The clear majority of silver's spiral downward has been directly attributable to U.S dollar strength
- July Comex silver was last down \$0.034 at \$16.275 an ounce

### 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 are down again in early U.S. trading yesterday as the dollar index fell off July 14 highs, following earlier mixed data from the US. Meanwhile silver fell to a four-week low.
- An appreciating U.S dollar on the foreign exchange market continues to hamstring the precious metals market bulls. And a deteriorating world trade situation has not yet provided significant safe-haven support for silver.
- World stock markets were mostly weaker overnight. U.S stock indexes are pointed toward lower openings when the New York day session begins. The specter of a global trade war is denting trader and investor confidence and is pressuring world stock and commodity markets.
- The key "outside markets" today find the U.S dollar index solidly higher and hitting another 11-month high. The strong greenback is a major bearish weight on the raw commodity sector, along with the world trade worries.
- U.S dollar strength has been the underlying force resulting in dramatically lower silver prices, selling is also a component. The safe-haven asset of choice has clearly been the U.S dollar.
- Silver futures due on July 15 fell 0.48% to \$16.23 an ounce from the opening of \$16.30, marking May 16 lows, while the dollar index rose 0.10% to 95.22 from the opening of 95.12. The Swiss National Bank kept its policy very easy with negative interest rates, while Norway's central bank also kept its monetary policy unchanged, with its main interest rate at a very low 0.5%.
- US data showed unemployment claims fell 3 thousand to 218 thousand from 221 thousand, beating forecasts of 220K, while continuing claims for the week ending June 9 rose 22K to 1.723 million from 1.701 million, above expectations of 1.710 million.

### 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, June 22, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri June 22	04:30	JPY National Consumer Price Index (YoY) (MAY)	High	0.7%	0.6%	0.6%
Fri June 22	04:30	JPY Natl CPI Ex Fresh Food, Energy (YoY) (MAY)	Medium	0.3%	0.3%	0.4%
Fri June 22	11:45	EUR French Gross Domestic Product (YoY) (1Q F)	Medium	2.2%	2.2%	2.2%
Fri June 22	13:00	EUR Markit Eurozone Manufacturing PMI (JUN P)	Medium		55.00	55.5
Fri June 22	17:30	CAD Consumer Price Index (YoY) (MAY)	High		2.6%	2.2%
Fri June 22	18:45	USD Markit US Manufacturing PMI (JUN P)	Medium		56.3	56.4
Fri June 22	18:45	USD Markit US Services PMI (JUN P)	Medium		56.5	56.8
Fri June 22	18:45	USD Markit US Composite PMI (JUN P)	Medium			56.6
Fri June 22	22:00	USD Baker Hughes U.S. Rig Count (JUN 22)	Medium			1059

Source: Forex Factory, DailyFX

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## 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
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