

## Gold

### Technical

Gold markets rallied significantly during the trading session on yesterday, reaching towards the \$1348 level. The gold markets continue to be very choppy and noisy, and market players believe that the fears of trade wars continue to be a major issue. Economists believe that the \$1350 level above will be significant resistance, but if it break above there, the market probably goes to the \$1375 level, perhaps reaching towards the \$1400 level longer term. If it can break above, then might send this market much higher, perhaps to the \$1800 level, possibly even \$2000 after that. Ultimately, market should continue to look at pullbacks as value, as there are a lot of fears around the world right now. Gold is a bit of a safety investment of buying these dips when they occur, as the \$1320 level underneath is support. Market may find reasons to rally, but it's going to be noisy in the process.

Pivot:	1,328		
Support	1,324	1,321	1,319
Resistance	1,335	1,337	1,342

Source: FX EMPIRE

### Highlights

- Political factors are offsetting the negative factors for gold of a generally improving U.S and global economy
- The more intense the trade war becomes, it might get higher demand for gold
- Investors gashed U.S based stock funds, withdrawing billions of dollars for the second straight week
- Gold is might heading upwards largely with a weaker dollar view
- Capping gold's upside are signs of still-steady global economic growth

### 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 fell after hitting a one-week high in the previous session, as the dollar steadied and equities recovered on the United States's willingness to negotiate on tariffs with China, easing fears of a full-blown trade war. Spot gold was down 0.3 percent at \$1,329.11 per ounce and the U.S gold futures fell 0.6 percent to \$1,332.60 an ounce.
- Retaliation from China, the world's largest gold consumer, lifted spot gold prices to a one-week high of \$1,348.06 per ounce as the U.S dollar tumbled against the yen and equities dipped.
- The United States voiced willingness to talk with China after Beijing retaliated against proposed U.S tariffs on \$50 billion in Chinese goods by targeting key American imports. Gold's drop shows liquidating profits and opportunists taking advantage of the market on a short term basis, while the more intense the trade war becomes, we will see higher demand for gold.
- Investors pulled out of gold, Asian equities rebounded from two-month lows with investors hoping a full-blown trade war between the world's two biggest economies can be averted.
- Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, was largely steady at 852.03 tonnes from 852.31 tonnes.
- The United States and China should avoid a trade war, stressing that Beijing's preference was to resolve the dispute through negotiations. However China is the world's largest gold consumer. Moreover, U.S private payrolls increased solidly in March as hiring rose across the board, pointing to a robust labour market that continues to underpin economic growth.
- The U.S dollar held steady against the yen after recovering against the safe-haven Japanese currency as stocks bounced back from a sell-off triggered by an escalating U.S and China trade spat.

### 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 markets fell initially during trading on yesterday, reaching down to the \$62 level. This was a technically important level, as it was where the uptrend line crossed on the daily chart. Analysts think that holding this level is crucial, and we should stay above it today as we await the jobs number tomorrow. Obviously, the jobs number could influence where we go next, as it could show potential demand coming out of the United States. If we were to break down below the uptrend line on a daily close, then he could change things, perhaps unwinding this market down to the \$60 level. Otherwise, a break above the \$64 level could have the market looking for the highs again. Brent oil markets fell initially but found the \$67 level to be supportive enough to turn things around and go slamming back into the previous uptrend line on the hourly chart.

Pivot:	63.62		
Support	62.70	62.10	61.60
Resistance	64.15	64.90	65.40

Source: FX EMPIRE

### Highlights

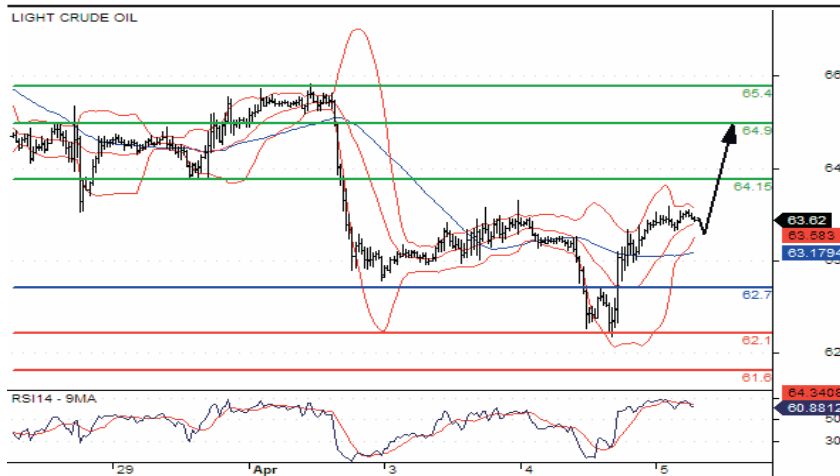
- U.S crude stocks fell unexpectedly last week as refineries hiked output
- U.S refiners are beginning to restart units after seasonal maintenance work ahead of the high demand summer months
- U.S crude production continued to surge, hitting a new weekly record of 10.46 million barrels per day compared with 10.433 million bpd last week
- Net U.S crude imports fell last week by 847,000 barrels per day
- Oil continued to trim its decline as U.S equities bounced back from sharp losses

### 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

- Crude oil inventories fell by 4.6 million barrels in the last week, compared with analysts' expectations for an increase of 246,000 barrels. Brent crude was down 40 cents or 0.6 percent at \$67.72 a barrel and U.S crude was down 42 cents or 0.7 percent at \$63.09 a barrel.
- OPEC is reducing output by about 1.2 million bpd as part of a deal with Russia and other non-OPEC producers to get rid of excess supply. The pact started in January 2017 and runs until the end of 2018.
- Oil has topped \$71 a barrel this year for the first time since 2014, and was trading above \$67 yesterday. Still, OPEC says supply restraints should be maintained to ensure the end of a glut that had built up since 2014.
- The damage has been done on the Gulf Coast, where rocketing refinery runs hark, above 9.1 million barrels per day and low net imports have drawn down oil inventories by 7 million barrels. Oil inventories on the Gulf Coast are now 21 percent below year-ago levels.
- Exports climbed above 2 million barrels per day as a second supertanker laden with U.S. crude set sail from the Louisiana Offshore Oil Port (LOOP), the largest privately owned crude terminal in the United States.
- U.S refiners operated at 93% of operable capacity last week versus expectations for an unchanged figure of 92.3%. Gasoline inventories fell by 1.1 million barrels, versus a forecast decline of 1.9 million barrels, while distillate inventories, which include diesel fuel, rose 500,000 barrels versus forecasts for a 1.3 million barrel drop.
- China announced 25% tariffs on critical American exports, including soybeans, airplanes and automobiles. The U.S earlier this year imposed tariffs on Chinese steel and aluminum imports.

### 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 initially tried to rally during the trading session yesterday, reaching towards the \$16.50 level. As it found enough resistance there to keep going higher, so now that we have pulled back from there and broke down to the \$16.25 level, Economists think that buyers will probably come back into this market, interested in picking up value. Market should continue to offer these opportunities occasionally, but longer-term the market participants will continue to horde silver in general. The overall attitude of the market has been "buy the dips" for some time, and there are massive amounts of support underneath to keep these markets afloat. The biggest trick was silver is lower leverage for those who are trading longer-term time frames. If it break out to the upside, somewhere around the \$17 level it may find resistance again, and then of course the \$17.50 level.

Pivot:	16.25		
Support	16.18	16.10	16.00
Resistance	16.38	16.45	16.51

Source: FX EMPIRE

### Highlights

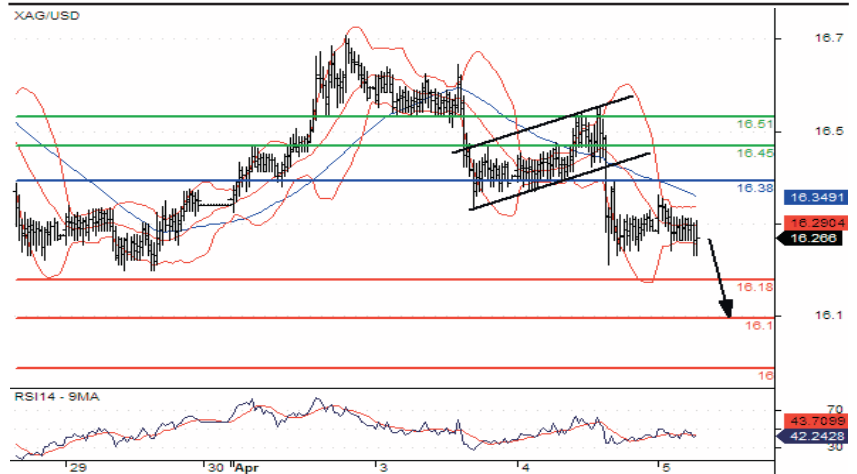
- May comex silver was last down \$0.117 at \$16.28 an ounce
- China has slapped extra tariffs of up to 25 percent on 128 U.S products
- Silver bulls' next upside price breakout objective is closing prices above solid technical resistance at \$17.00 an ounce
- The next downside price breakout objective for the bears is closing prices below solid support at \$16.00
- First resistance is seen at today's high of \$16.515 and then at last week's high of \$16.81

### 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

- May silver also took a hit amid concerns about a trade skirmish, falling 13.8 cents, or 0.8%, to end at \$16.254 an ounce. Meanwhile the iShares Silver Trust added 0.5%. Ultimately, it will eventually find a reason to rally, be it for safety, or simply the US dollar falling.
- The trade situation with China and the stock market continues to be wobbly over that, silver is likely to hold its gains if not add to it, while metal might trade sideways otherwise as the market awaits more information on the health of the economy.
- If it is a scalper on the futures markets, then it may a large account and leverage to take advantage of the back and forth situation, perhaps using the stochastic oscillator as a guide as to where to go next.
- This is a market that continues to be very noisy, so for longer-term trading it is best served either trading the CFD market, or perhaps buying the commodity in its physical form.
- Fears of a global trade war have ratcheted up a notch after China announced a big list of U.S. products on which it intends to slap new tariffs. These products include cars, soybeans and airplanes. This action follows a U.S announcement of new U.S duties on Chinese imports on Tuesday.
- World stock markets were lower overnight. U.S stock indexes opened sharply lower openings when the New York day session began. However, as midday approached the stock indexes had rebounded dramatically and were trading near their daily highs.
- The U.S lost the trade war with China years ago, which underscores the U.S resolve on the matter. While the U.S and China decided that they will begin negotiations to resolve their trade dispute, this action has the world marketplace experiencing anxiety as the world's biggest economies square off.

### 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, April 05, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs April 05	11:00	EUR German Factory Orders n.s.a. (YoY) (FEB)	Medium	3.5%	6.3%	8.2%
Thurs April 05	12:15	CHF Consumer Price Index (YoY) (MAR)	Medium	0.8%	0.7%	0.6%
Thurs April 05	13:30	GBP Markit/CIPS UK Services PMI (MAR)	Medium	51.7	54.0	54.5
Thurs April 05	14:00	EUR Euro-Zone Retail Sales (YoY) (FEB)	Medium	1.8%	2.3%	1.5%
Thurs April 05	17:30	USD Initial Jobless Claims (MAR 31)	Medium			215k
Thurs April 05	17:30	USD Continuing Claims (MAR 24)	Medium			1871k
Thurs April 05	17:30	USD Trade Balance (FEB)	Medium		-\$56.5b	-\$56.6b
Thurs April 05	19:30	USD EIA Natural Gas Storage Change (MAR 30)	Low			-63
Thurs April 05	22:00	USD Fed's Bostic Speaks on Financial Literacy	Low			

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