

Gold

Technical

Gold markets have rallied quite nicely to start the week yesterday, reaching towards the \$1265 level. Economists believe that dips will continue to be bought, and that the \$1275 level above is the longer-term target. The US dollar has been falling during most of the day. That generally helps gold, certainly a correlation that it is seeing yesterday. Currently, it looks as if the \$1255 level is offering a bit of support that extends down to the \$1250 level, as gold has made a nice correction after consolidating in that region. Market players still believe that the \$1275 level above might be a bit difficult to overcome though, so expect a lot of choppiness. Futures markets to take advantage of this type of volatility. It will continue to see bullish pressure in the short term, but it is going to take something rather stringent to break above the \$1275 level and continue the move to the \$1300 level.

| | | | |
|------------|-------|-------|-------|
| Pivot: | 1,256 | | |
| Support | 1,253 | 1,251 | 1,248 |
| Resistance | 1,260 | 1,263 | 1,266 |

Source: FX EMPIRE

Highlights

- Gold prices climbed with the recent retreat in the U.S. dollar helping to lift the metal to its strongest finish in nearly two weeks
- More negative news from the U.S. trade war should be bullish for gold
- Gold, often used as a haven asset, firmed even as U.S. stocks saw a strong start to the week
- The dollar index has posted gains in each of the last three months, while gold futures fell in April, May and June
- Speculators raised their net long position in COMEX gold contracts in the week to July 3

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 edged up in early Asian trade today after hitting a two-week high in the previous session, amid political uncertainty over Brexit and as the U.S. dollar remained subdued.
- Spot gold was up 0.1 percent at \$1,258.12 an ounce. The metal touched its highest since June 26 at \$1,265.87 yesterday. U.S. gold futures for August delivery were 0.1-percent lower at \$1,258.70 an ounce. Yet, gold futures at the start of last week had hit their lowest levels of 2018, knocked lower by a strengthening dollar.
- The dollar index, which measures the greenback against a basket of six major currencies, was steady at 94.028. It fell to its lowest since mid-June in the previous session.
- Gold notched a slight gain for last week, after a mostly upbeat U.S. jobs report was seen keeping the Federal Reserve on a path toward gradually higher interest rates, moving at no faster a pace than long-term expectations for markets.
- Gold "needs to break and trade" over \$1,272.70 until Friday "to attract short covering and make way for \$1,302". But if gold does not break that 100-week moving average of \$1,272.70, "then it will trade in a wider \$1,235-\$1,272.70 range.
- The U.S. Dollar Index traded 0.2% higher yesterday, but was down 0.5% so far this month. A weaker buck can make assets pegged to the currency, including gold, more attractive to buyers using other monetary units.
- Gold demand also has been hurt by the fear that a trade spat may hurt Beijing's economy, which already has shown signs of decelerating in recent months. China is one of the world's biggest buyers in metals, including gold.

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 when sideways overall during the day yesterday to start the week, as it continue to dance around the \$74 level. A significantly strong resistance barrier near the \$75 level above, and it will probably take a lot of momentum to finally break through it. If it do, then the market is free to go to the \$77.50 level. However, it would need to see a daily close above the \$75 level to be convinced of the efficacy of that move. In the short term, pullbacks will be momentum building exercises to finally make that move. Brent markets were a bit more constructive during the day, reaching towards the \$70 level. Economists think that if it can break above the \$78.50 level, it will then go to the \$79 level, and then the psychologically important \$80 level. Recently, it had seen the market reached towards the \$76.50 level and find buyers.

| | | | |
|------------|-------|-------|-------|
| Pivot: | 74.29 | | |
| Support | 73.70 | 73.30 | 73.00 |
| Resistance | 74.80 | 75.25 | 75.80 |

Source: FX EMPIRE

Highlights

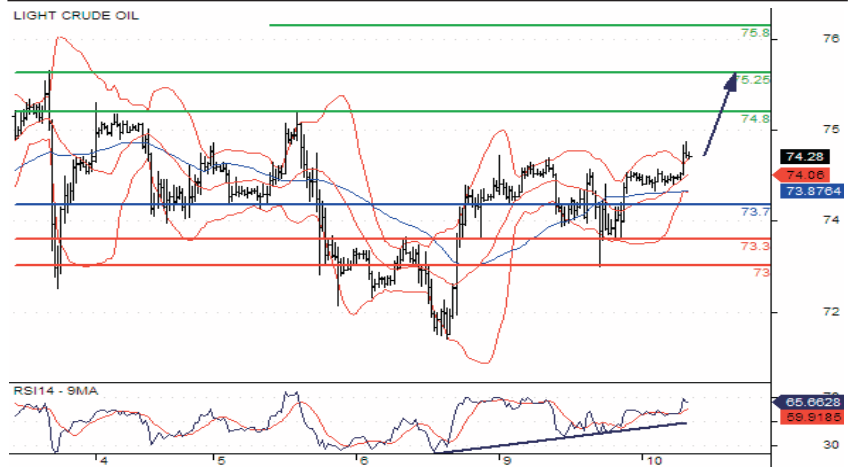
- Oil prices gained yesterday, with U.S crude ending a choppy session higher for a Canadian production outage lasting until September
- Concerns over falling production in Libya have also buoyed prices
- OPEC alone cannot be blamed for all the problems that are happening in the oil industry
- OPEC in recent weeks of driving oil prices higher and urged Saudi Arabia to raise supplies to compensate for lower exports from Iran
- Money managers raised their bullish bets on U.S crude in the week to July 3

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 rose today on escalating concerns over potential supply shortages, with Brent crude leading the way as hundreds of oil workers in Norway were set to strike later in the day. That potentially adds to disruptions in other oil producers amid tensions in the Middle East.
- Brent crude added 55 cents or 0.7 percent, to \$78.62 per barrel, following a 1.2-percent climb yesterday. U.S light crude futures were up 47 cents, or 0.7 percent, at \$74.32.
- The United States said, it wants to reduce oil exports from Iran, the world's fifth-biggest producer, to zero by November, which would oblige other big producers to pump more.
- Saudi Arabia, fellow members of the Organization of the Petroleum Exporting Countries (OPEC) and allies including Russia agreed last month to increase output to dampen price gains and offset global production losses in countries including Libya.
- The market has grown concerned that if the Saudis offset the losses from Iran, that will use up global spare capacity and leave markets more vulnerable to further or unexpected production declines.
- Libya's national oil production fell to 527,000 barrels per day from a high of 1.28 million bpd in February following recent oil port closures, the head of the National Oil Corporation said in a statement yesterday.
- U.S oil prices on Friday finished with a healthy gain, despite the data, which offers a signal of rising future output in the U.S., but "the pace of increase will not be able to compensate losses from other sources like Iran and Venezuela.

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 rallied quite nicely during the trading session yesterday, gaining over 1% by the time the Americans came on board. Economists believe that breaking above the \$16.15 level triggers an inverted head and shoulders, which based upon measurements should send this market looking towards the \$16.50 level, an area that has been important more than once. Because of this, the market will be attracted to this level, and short-term positions can be taken advantage of to play the accepted range that the market has been in for some time. For longer-term, market participants will be looking to break towards the \$17 level, but that needs a soft US dollar to continue. It would take a bit of patience as a market has been so choppy and volatile over the last several week. If it did break down, it would not be concerned until it cleared the \$15.90 level.

| | | | |
|------------|-------|-------|-------|
| Pivot: | 16.07 | | |
| Support | 16.00 | 15.94 | 15.90 |
| Resistance | 16.16 | 16.21 | 16.26 |

Source: FX EMPIRE

Highlights

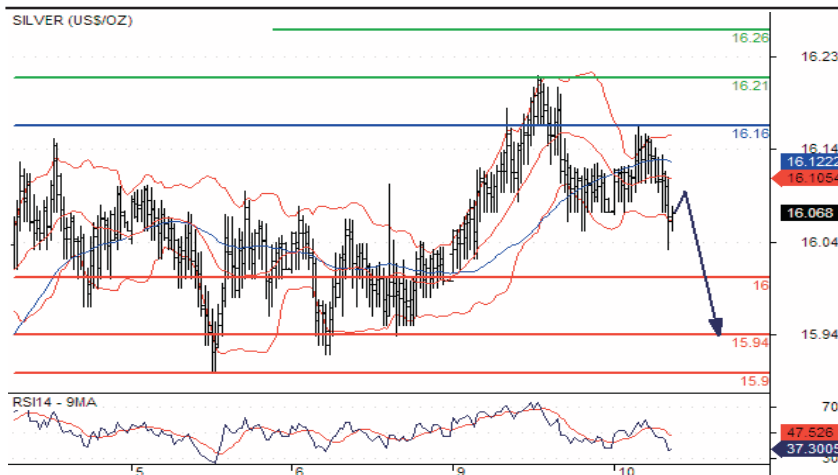
- Geopolitical uncertainty is causing silver prices to spike as investors react to two high-profile resignations yesterday
- September silver rose 0.4% to \$16.139 an ounce. Silver shed about 0.8% for last week
- The metals were well down from their daily highs as the U.S dollar index recovered early losses to traded higher today
- July Comex silver was last up \$0.071 at \$16.14 an ounce
- Silver markets would benefit from a firm dose of geopolitical uncertainty

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 in American trade away from December 13 lows for the fifth session out of six, as the dollar index gained ground for the first time in three sessions, amid a lack of data from the US, the world's largest economy.
- Silver prices are modestly higher in early-afternoon U.S trading yesterday. Mild support comes from some bargain hunting in the cash market and short covering in the futures market, following recent losses that drove the two precious metals prices to multi-month lows last week.
- Silver futures due on September 15 rose 0.54% to \$16.16 a barrel from the opening of \$16.07, marking June 27 highs, while the dollar index added 0.13% to 94.09 from the opening of 93.96.
- The major factors propelling inflation higher are still strong, describing growth risks in the euro zone as still balanced, while expressing confidence that inflation will reach 2% with support from the ECB's stimulus programs, and expecting no change in interest rates until summer 2019.
- Markets today followed European Central Bank President Mario Draghi's testimony on the economy, monetary policy, virtual currencies, and regulatory risks before the European Parliament in Brussels.
- The US economy created 213 thousand new jobs in June, down from 244K in May and beating forecasts of 195K as the trade deficit shrank to \$43.1 billion from \$46.1 in April, beating forecasts of 43.6.
- On Friday, released US data showed the unemployment rate up to 4.0% in June from 3.8% in May, a 2000 nadir, while average earnings rose 0.2%, slowing down from 0.3%. The Federal Reserve voted at the June 12-13 meeting to hike interest rates by 25 basis points to below 2% as expected by markets, while paving the way for possibly four rate hikes this year.

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|------------|-------------------|--------|---------|------------|--------|---------|-------------------|--------|---------|---------------|
| | 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

Tuesday, July 10, 2018



Data Calendar

Economic Data

| Date | Time | Event | Importance | Actual | Forecast | Previous |
|--------------|-------|--|------------|--------|----------|----------|
| Tues July 10 | 06:30 | CNY Consumer Price Index (YoY) (JUN) | High | 1.9% | 1.9% | 1.8% |
| Tues July 10 | 13:30 | GBP Manufacturing Production (YoY) (MAY) | Medium | 1.1% | 1.9% | 0.9% |
| Tues July 10 | 13:30 | GBP Construction Output SA (YoY) (MAY) | Medium | 1.6% | -0.5% | -1.2% |
| Tues July 10 | 13:30 | GBP U.K. Statistics Office Publishes First Monthly Estimate of GDP | High | 0.3% | 0.3% | |
| Tues July 10 | 14:00 | EUR German ZEW Survey Current Situation (JUL) | Medium | | 78.2 | 80.6 |
| Tues July 10 | 14:00 | EUR German ZEW Survey Expectations (JUL) | High | | -18.5 | -16.1 |
| Tues July 10 | 16:00 | GBP NIESR Gross Domestic Product Estimate (JUN) | Medium | | | 0.2% |
| Tues July 10 | 17:15 | CAD Housing Starts (JUN) | Medium | | 210.0k | 195.6k |
| Tues July 10 | 17:30 | CAD Building Permits (MoM) (MAY) | Medium | | -0.5% | -4.6% |

Source: Forex Factory, DailyFX

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