

## Gold

### Technical

The gold market rallied significantly during the trading session on Wednesday, reaching towards the \$1285 level. On the stochastic oscillator, we are starting to try and cross over and the overbought area, and it's likely that the area between here and \$1300 will continue to cause issues. Although the hourly chart looks very healthy, we are bit overextended, and when you look at the longer-term charts, the \$1300 level has been massively resistive. I believe that there is a strong barrier at that area, and with the greenback strengthening in general, I think gold will continue to struggle. However, if we get some type of geopolitical issue, gold could rally in a bit of a "panic." If that happens, I will wait for things to calm down and start shorting, especially if we cannot break above the \$1300 level. Alternately, if we break above the \$1300 level on a daily close, then I would be a buyer.

Pivot:	1,283		
Support	1,279	1,277	1,273
Resistance	1,287	1,292	1,295

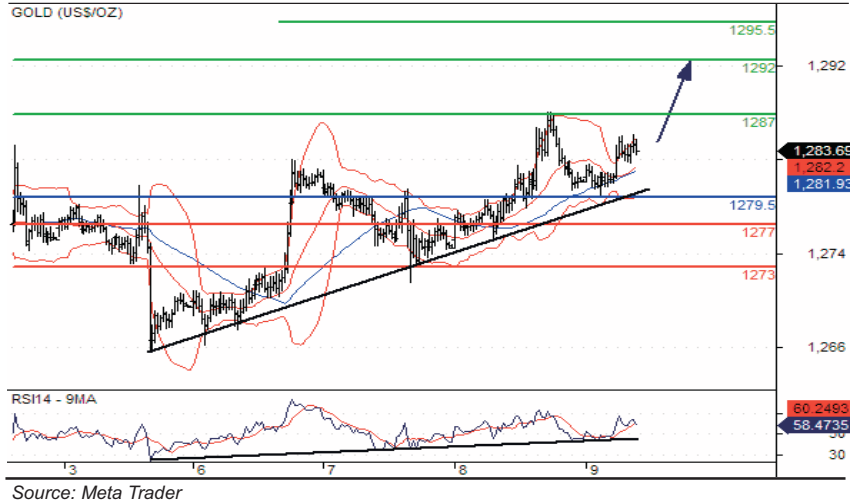
### Highlights

- Gold prices climbed yesterday, notching their highest finish in nearly three weeks
- The U.S. dollar index took a break from multimonth highs
- December gold rose \$7.90, or 0.6%, to settle at \$1,283.70 an ounce, the highest settlement since Oct. 19
- Weakness in the U.S. dollar is kicking in, prompting gold to extend earlier gains
- Gold's performance therefore could point to either a period of 'risk-off' trading environment and/or a dollar selloff

### Gold - Technical Indicators

RSI 14	48.30
SMA 20	1,238.5
SMA 50	1,235.1
SMA 100	1,246.9
SMA 200	1,259.8

### Gold Daily Graph



### Fundamentals

- Gold held steady early today after marking a near three-week high in the previous session as the dollar firmed, while palladium remained close to an over 16-year peak touched on Wednesday.
- Spot gold was nearly unchanged at \$1,280.81 per ounce. In yesterday's trading session, it rose 0.4 percent and touched its highest since Oct. 20 at \$1,287.13 an ounce. U.S. gold futures for December delivery dipped 0.2 percent to \$1,281.40.
- The dollar index against a basket of six major currencies was up 0.1 pct. Asia stocks hovered near a decade high today following another record-breaking day on Wall Street.
- A Senate tax-cut bill, differing from one in the House of Representatives, was expected to be unveiled today, complicating a Republican push to overhaul the federal tax code.
- North Korea and trade will likely top the agenda when U.S. President Donald Trump and Chinese President Xi Jinping sit down for formal talks on Thursday, a day after Trump warned Pyongyang of the grave danger of developing nuclear weapons.
- The IMF urged Japan to maintain its massive monetary stimulus to boost consumer prices, a view echoed by a central bank board member, reinforcing expectations policy will remain accommodative. Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell for the sixth straight day on Wednesday by 0.14 percent to 843.09 tonnes.
- The Bank of Japan's nine-member board debated calls from one of its policymakers to target the longer end of the yield curve at a rate review in October, a summary of their opinions showed on Thursday, with several stressing that the current stimulus was sufficient.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

The WTI Crude Oil market tried to rally during the day on Wednesday, but got be back at the \$58 level. I think that we are going to drift a little bit lower from here, but I also recognize her should be a bit of a floor in the market near the \$55 level. This pullback should be a buying opportunity, so if you are looking towards the longer-term move, you are probably best suited to be patient and wait for a supportive candle at lower levels, especially near the \$55 level. Ultimately, this is a market that has been very bullish in the short term, and I think that should continue to be the case, at least until we reach the \$60 level where I would anticipate much more resistance. However, if we were to break down below the \$55 level, I think at that point we could roll over little bit farther. Brent markets of course mood very much the same way during the day, and I think that the market will probably reach down to the \$60.

Pivot:	56.84		
Support	56.40	56.10	55.65
Resistance	57.15	57.50	57.90

### Highlights

- Oil prices touched a more than two-and-a-half-year high this week, but have faltered mid-week
- Market sentiment is more bullish than it has been in a long time, but the risk of falling back is still very much alive
- Weekly U.S government report revealed a surprise rise in crude stockpiles but larger-than-expected declines in supplies of gasoline
- West Texas Intermediate crude fell 39 cents, or 0.7%, to settle at \$56.81 a barrel
- Prices extended earlier losses in the immediate wake of the supply data

### Crude - Technical Indicators

RSI 14	53.36
SMA 20	53.50
SMA 50	51.33
SMA 100	50.55
SMA 200	48.91

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices steadied just below two-year highs on Thursday, supported by supply cuts by major exporters, but analysts said the market could be vulnerable to a sell-off after several months of gains.
- Brent crude oil was up 20 cents at \$63.69 a barrel. On Tuesday, Brent reached an intra-day high of \$64.65, its highest since June 2015. U.S light crude was 15 cents higher at \$56.96, just shy of this week's more than two-year high of \$57.69 a barrel.
- investors said a rally that has pushed up Brent by more than 40 percent since July may have run its course. Prices may have reached a short-term peak. Prices have been supported by moves led by the OPEC and Russia to limit supplies in order to tighten the market.
- OPEC will discuss output at a meeting on Nov. 30, and is expected to extend the limits beyond their expiry in March 2018. With the OPEC/non-OPEC deal extension beyond March 2018 a certainty, prices may become stronger and temporarily reach the \$65-\$70 per barrel range in 2018.
- Despite this, some analysts say the price rally of the past months may have run its course, at least for now. As we get into 2018 and 2019, more oil is coming onto the market, a lot of it from U.S. tight oil.
- So this (rally) will prove quite short-lived and we'll see the price back into \$50-\$55 a barrel over the next year or two. U.S. crude stockpiles rose 2.2 million barrels in the week to Nov. 3, to 457.14 million barrels, the Energy Information Administration said on Wednesday.
- U.S crude production rose 67,000 barrels per day to 9.62 million bpd, the highest for decades. Output looks set to rise further. Texas issued 997 oil and gas drilling permits last month, up nearly 17 percent versus the same month a year ago.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	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 enjoyed a strong session yesterday, reaching towards the \$17.25 level. This is an area that continues to offer resistance though, and I think that the \$17.50 level above continues to be the top of the overall consolidation. I think that the \$17.50 level is massive resistance, so I do not have any interest in buying silver at this point. Quite frankly, I think that the market is probably getting ready to roll over a bit, as the market seems much more comfortable with the \$17 level. The stochastic oscillator does look as if it is trying to roll over, and we have seen a bit of divergence as of late. I also recognize that the US dollar has been strengthening for some time, and I think that the markets continue to favor the greenback in general, as the Fed is one of the few central banks that are looking to raise interest rates. That of course is good for the US dollar longer-term.

Pivot:	17.09		
Support	16.89	16.77	16.62
Resistance	17.13	17.19	17.26

### Highlights

- Silver prices are little changed on the day, holding overnight gains
- Initial weekly U.S. jobless claims rose by 10,000 to a seasonally adjusted 239,000 in the week to Saturday
- Ahead of the report, silver was already holding on to strong gains as a result of renewed weakness in the U.S. dollar
- Continuing jobless claims reported with a one-week delay, decreased by 17,000
- Investors monitor jobs data closely to gauge how aggressively the FOMC alters monetary policy

### Silver - Technical Indicators

RSI 14	44.86
SMA 20	18.00
SMA 50	17.80
SMA 100	17.57
SMA 200	17.21

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver was up 0.9 percent at \$17.11 an ounce while platinum was up 1.2 percent at \$933.60 an ounce today as the dollar retreated on expectations of possible delays in long-awaited U.S. tax reforms, while palladium hit its highest since 2001.
- U.S. House of Representatives Speaker Paul Ryan left the door open to a possible delay in implementing lower tax rates for corporations, following a media report that his fellow Senate Republicans were exploring the option.
- U.S. equities fell and the dollar index, which measures the greenback against a basket of six currencies, dipped 0.1 percent toward 3-1/2 month lows touched in recent weeks.
- The closer we get to the interest rate hike in December the lower the price of gold should get. A December interest rate hike has been priced into the market, traders said. But a potential delay in the tax plan could mean a moderation in interest rate increases next year, which could support gold, they noted.
- If Republicans can't get something done, you could see more of a bid come back into gold. Rising U.S. interest rates tend to boost the dollar and lift the opportunity cost of holding non-yielding assets such as gold and silver.
- In physical demand, industry officials and analysts warned that India's gold imports in the last quarter of 2017 could drop 25 percent from a year ago due to weak demand during key festivals and as investors seek better returns from riskier assets like equities.
- U.S. President Donald Trump on Tuesday warned North Korea he was prepared to use the full range of U.S. military power to stop any attack, but in a more conciliatory appeal than ever before he urged Pyongyang to "make a deal" to end the nuclear standoff. The dollar fell on Wednesday, after the Washington Post, citing unidentified sources.

### US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Thursday, November 09, 2017



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Nov 09	01:00	NZD RBNZ Official Cash Rate (NOV 09)	High	1.75%	1.75%	1.75%
Thu Nov 09	04:50	JPY Machine Orders (YoY) (SEP)	Medium	-3.5%	2.0%	4.4%
Thu Nov 09	06:30	CNY Consumer Price Index (YoY) (OCT)	High	1.9%	1.8%	1.6%
Thu Nov 09	09:30	JPY Bankruptcies (YoY) (OCT)	Medium	7.32%		4.62%
Thu Nov 09	11:45	CHF Unemployment Rate (OCT)	Medium	3.0%	3.0%	3.0%
Thu Nov 09	12:00	EUR German Trade Balance (SEP)	Medium	24.1b	22.3b	20.1b
Thu Nov 09	14:00	EUR ECB Publishes Economic Bulletin	Medium			
Thu Nov 09	18:30	CAD New Housing Price Index (YoY) (SEP)	Medium	3.8%	3.8%	3.8%
Thu Nov 09	18:30	USD Initial Jobless Claims (NOV 04)	Medium	239k	232k	229k

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	(Assistant 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