

Gold

Technical

Gold markets rallied a bit on Friday, reaching towards the \$1350 level, before rolling over to form a shooting star. Economists think that the market has plenty of support near the \$1300 level, meaning that we remain range bound overall, while market continues to be choppy, as there are lot of moving pieces when it comes to what's going on with gold. Market players believe that market participants will continue to see this as a "buy the dips" type of situation. If it break above the \$1350 level, the market probably goes looking towards the \$1400 level next, an area that will be resistive. Once it break above there, it feel that the market is probably free to go much higher and will finally break through most of the major resistance that has been an issue. Ultimately, the \$1300 level should offer massive support, giving us a bit of a barrier and sense of certainty for gold.

Pivot:	1,331		
Support	1,326	1,319	1,314
Resistance	1,335	1,341	1,348

Source: FX EMPIRE

Highlights

- The yellow metal has posted a weekly gain for two of the past three weeks
- Gold market is still fairly rangebound and it would need to see a break above \$1,350 or below \$1,300 before traders get excited
- Gold was given a lift by the soft U.S dollar as it is the greenback that is having the biggest influence
- June gold closed up \$7.60 or 0.6%, at \$1,336.10 an ounce
- A weaker dollar can make commodities more attractive to buyers using other currencies

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 were little changed in Asian trade as investors awaited developments on the simmering trade spat between the United States and China. Spot gold was down 0.1 percent at \$1,331.83 an ounce and U.S gold futures were nearly unchanged at \$1,335.70 an ounce.
- U.S President Donald Trump predicted on Sunday that China would take down its trade barriers, expressing optimism despite escalating trade tensions between the two nations. The market is getting numb with the current trade war news. It is really hard to judge on sentiment as there is no way to know before hand.
- The dollar steadied, having retreated late last week due to concerns over U.S China trade tensions and following data that showed the U.S economy created the fewest jobs in six months in March. The U.S dollar which measures the greenback against six other major currencies, was up 0.1 percent at 90.185.
- Higher interest rates discourage the buying of non-interest-paying bullion, which is priced in dollars. Hedge funds and money managers slashed their net long position in Comex gold in the week to April 3.
- United States had comments about the trade conflict over the last week. The market is being dismissive about those issues until they see any real impact on the ground. Moreover there was a little bit of a sell-off in the gold market as a consequence.
- On Friday gold futures logged a daily and weekly advance on the back of U.S China trade-war jitters, which flared up late Thursday and roiled global stocks, driving investors into assets perceived as havens.
- For inflation watchers, including those interested in gold as an inflation hedge, average wages rose 8 cents, or 0.3%, to \$26.82 an hour. The 12-month increase in pay picked up slightly to 2.7% from 2.6%.

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 crude oil market pulled back but continues to find support at the uptrend line that has been a major part of this market for several months. It looks as it will continue to find value hunters jump into this market on dips, and short-term traders certainly are bullish. Longer-term traders may have a little bit more to worry about though, and that we would need to see a fresh, new high to clear what could be a “double top.” That of course is a very negative sign, but if it break through it, it suddenly becomes very bullish. It’s not until it break down through the uptrend line that could be a seller. The Brent market broke down significantly during the week, reaching towards the uptrend line, but turned around to form a hammer on the weekly chart. The hammer of course is a bullish sign, and had a hammer from the previous week as well. If it can break above that hammer, then the market is free to go much higher.

Pivot:	62.33		
Support	61.60	60.85	60.10
Resistance	62.85	63.70	64.15

Source: FX EMPIRE

Highlights

- U.S crude stockpiles fell by 4.6 million barrels last week, the biggest weekly decline since January
- Oil investors continue to focus on fundamentals, which will most directly inform how the commodity trades
- The spot price of Asian LNG was about \$7.80 per million British thermal units (mmBtu)
- The Harbour offer values Santos at A\$6.50 a share, at a time when the price of LNG and crude oil was falling
- The number of U.S oil rigs rose by 11 to 808, the highest number since March 2015

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

- Oil markets stabilized after slumping around 2 percent last Friday on concerns over an intensifying trade dispute between the United States and China, as well as increased U.S drilling activity.
- U.S crude futures were at \$62.31 a barrel, up 25 cents, or 0.4 percent, from their previous settlement. Brent crude futures were at \$67.42 per barrel, up 31 cents, or 0.5 percent. Brent crude ended last week at \$67.74 a barrel and spot LNG was about \$7 per mmBtu, although it’s worth bearing in mind that LNG prices typically are weakest.
- Oil prices fell about 2 percent on Friday after U.S President Donald Trump threatened new tariffs on China, reigniting fears of a trade war between the world’s two largest economies that could hurt global growth.
- Oil prices have been susceptible to the brewing trade tensions between China and the U.S. However, fundamental support levels have been demonstrated with OPEC’s suggestion on a production limit extension into 2019.
- Oil prices have generally been supported by healthy demand as well as by supply restraint led by the OPEC, which started in 2017 in order to rein in oversupply and prop up prices. Spot LNG prices surged to \$11.50 per mmBtu in early January, the highest in more than three years.
- On crude oil, the success of the OPEC and its allies in draining global inventories and boosting prices has led to a market consensus that prices are more likely to rise than fall over the medium term.
- After all, the U.S and China are the world’s largest oil consumer and oil importer countries. If the trade conflict escalates and slows oil demand in the U.S and China, this would have an impact on the market balance that could hardly be ignored.

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 on Friday, bouncing around between the \$16.25 level and the \$16.75 level. This is a market that is going to be easy to trade back and forth with shorter time frames, but longer-term traders are going to need to think more pragmatically and look at the longer-term scenario. Economists believe that the market will eventually reach the \$18.50 level, but it may take a while based upon what we have seen recently. It seems that buying physical silver is probably the best situation for a longer-term trade. Market players believe that the \$15.50 level underneath could be a hard floor in this market, based upon what we have seen over the last several months. The market is probably going to continue to be choppy in the foreseeable future. So it gives us an opportunity to ride out the volatility of a market that is volatile under the best of conditions.

Pivot:	16.42		
Support	16.31	16.24	16.17
Resistance	16.49	16.60	16.66

Source: FX EMPIRE

Highlights

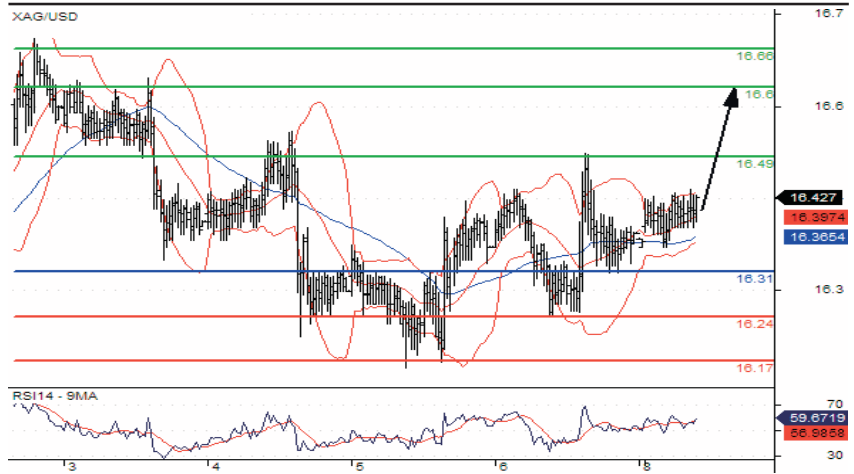
- Silver futures were little changed at \$16.355
- Spot silver climbed 0.2 percent to \$16.38 per ounce
- Hedge funds and money managers slashed their net long position and boosted their net short position in silver
- U.S President predicted that China would take down its trade barriers, because it was "the right thing to do"
- The metal is denominated in the U.S currency and becomes more expensive for holders of other currencies when the dollar rises

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

- Silver recent performance has once again been disappointing the bulls who have been backing the yellow metal through increased long positions in both futures and exchange-traded products.
- May silver used both for industrial purposes, and so more sensitive to trade issues, and as a haven financial asset, edged 0.7 cent higher, or less than 0.1%, at \$16.362 an ounce, after starting Friday trading in the red. For the week, silver futures gained 0.7%.
- Silver has emerged as a drag on gold's ability to move forward and properly challenge a key band of resistance above \$1,355/oz. On top of that, rebound in stocks and the U.S dollar weighed the silver down last week, pushing aside concerns related to trade war rhetoric between the U.S and China.
- Increased stock market volatility is likely to continue to provide some underlying support. There's no doubt, however, that multiple rejections since 2016 are likely to have sidelined potential buyers who are now happy to sit on the fence while waiting for a potential break.
- Ultimately, if silver can break above the \$18.50 level, the market will be free to go to the \$20 level. Moreover if it break down below the \$15.50 level, the \$15 level underneath there is even more support.
- Silver have been very volatile during the last week as it continue to trade in a reasonably tight range. Because of this, it is more the domain of short-term traders that longer-term traders.
- Global equities rose and the dollar steadied as the U.S government played down fears of a trade war with China. This is reflected in the silver market overall at this point in time. In the end, everybody knows a trade war will only bring losers and no winners, and this is what will eventually prevail when they sit together and negotiate the issues.

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

Monday, April 09, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon April 09	03:30	AUD AiG Performance of Construction Index (Mar)	Medium	57.2		56
Mon April 09	04:50	JPY Trade Balance - BOP Basis (Yen) (Feb)	Medium	¥188.7b	¥249.7b	-¥666.6b
Mon April 09	10:00	JPY Consumer Confidence Index (Mar)	Medium	44.3	44.5	44.3
Mon April 09	10:45	CHF Unemployment Rate (Mar)	Medium	2.9%	3.0%	3.2%
Mon April 09	11:00	EUR German Trade Balance (Feb)	Medium	18.4b	20.0b	17.4b
Mon April 09	17:15	CAD Housing Starts (Mar)	Medium		218.0k	229.7k
Mon April 09	19:30	CAD Business Outlook Future Sales (1Q)	Low			8
Mon April 09	20:30	USD U.S. to Sell USD48 Bln 3-Month Bills	Low			
Mon April 09	20:30	USD U.S. to Sell USD42 Bln 6-Month Bills	Low			

Source: Forex Factory, DailyFX

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