

Gold

Technical

Gold markets when sideways initially during trading yesterday but have rallied a bit as the market continues to show a bit of a “risk on” attitude in the currency realm. As investors are waiting for the FOMC Statement, it’s likely that the gold participants are simply trying to hedge their bets. It has been over the last several days, and the market is essentially stock. Economists believe that the market probably is awaiting not only the statement from the FOMC, but also the work coming out of the European Central Bank tomorrow. Market players believe that it will have a lot of volatility, and that it’s only a matter of time before it get some type of impulsive move that it can follow. If it can break above the \$1305 level, the market could continue to go much higher, perhaps reaching towards \$1325 level. If we break down below the \$1290 level, the market will probably go down to the \$1275 level.

Pivot:	1,299		
Support	1,293	1,290	1,287
Resistance	1,303	1,306	1,311

Source: FX EMPIRE

Highlights

- Gold prices settled with a modest gain then fell back under the \$1,300-an-ounce as a benchmark U.S dollar index headed higher
- The dollar slipped back from three-week highs against the yen
- Gold prices are denominated in U.S dollars, so the movement of the U.S dollar index impacts the gold price
- The Fed hiked rates by 25 basis points to a range of 1.75% to 2%
- U.S dollar makes dollar-denominated assets such as gold more expensive for foreign buyers

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 eased today as the U.S Federal Reserve forecast a slightly faster pace of interest rate hikes this year, although lingering worries over trade tensions between Washington and Beijing prevented steeper losses.
- Spot gold was down 0.1 percent at \$1,298.51 per ounce. It touched an over one-week low at \$1,292.15 an ounce in the previous session. U.S gold futures for August delivery rose 0.1 percent to \$1,302.20 per ounce.
- Rate hike is all priced in and obviously there are a lot of uncertainties looking past this which is supporting gold prices in our view. Its muted response to the Federal Reserve increase is because a lot of safe haven demand is going to take place. The trade war drama is not going to end anytime soon, it is probably going to be exasperated over the next month or so.
- The U.S Federal Reserve raised interest rates, and signalled two additional hikes by the end of this year, compared to one previously. Expectations of further U.S interest rate increases lowers demand for the non-interest-paying asset.
- However, reports that U.S President Donald Trump will meet with his top trade advisers today to decide whether to activate threatened tariffs limited gold's losses.
- Reports that President Trump was preparing to put tariffs on billions of dollars of Chinese goods as soon as Friday raised concerns in the market that economic growth would be impacted.
- Investor demand was also supported by a slightly weaker U.S dollar in the wake of the Fed decision to raise interest rates. Markets are now looking forward to policy announcements from the ECB later in the day where the bank will debate whether to end its huge asset purchases by year-end.

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 rallied slightly during the trading yesterday, grinding towards the \$66.20 level before pulling back slightly. Ultimately, the market should continue to go higher, and perhaps reaching towards the \$67 level. It has an inventory number come out of the United States that was very bullish, and it looks very likely that it continue to try to build upon the base that it has formed over the last several days. It will eventually find the momentum necessary. Brent markets rallied yesterday, as the \$75 level has offered significant support. It looks as if the market is trying to go to the \$77.50 level above, and it could pullback in the short term to build up the necessary momentum. The market continues to show plenty of momentum in both directions, but it looks as if it is trying to form some type a basing pattern formed upon the \$75 region.

Pivot:	66.63		
Support	66.25	65.85	65.50
Resistance	67.00	67.35	67.90

Source: FX EMPIRE

Highlights

- Oil prices climbed yesterday, to settle at their highest in almost two weeks
- U.S prices got a boost ahead of data that are expected to show a weekly fall in domestic crude inventories
- Brent crude declined after a monthly report from the OPEC revealed higher production from the cartel
- Prices were pulled down by another rise in U.S oil production
- U.S crude inventories fell by 4.1 million barrels in the week to June 8, to 432.4 million barrels

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 eased today, dragged down by rising output and a decline in China's refining activity, although strong fuel consumption in the United States and a drop in its crude inventories provided some support.
- Brent crude futures were at \$76.47 per barrel, down 27 cents or 0.4 percent, from their last close. U.S West Texas Intermediate (WTI) crude futures were at \$66.61 a barrel, down 3 cents from their last settlement.
- China reported a drop in refinery activity, from 12.06 million barrels per day (bpd) in April to 11.93 million bpd in May, although year-on-year runs were still up by 8.2 percent. The fall came as China's industrial output, investment and retail sales all grew less than expected in May, data showed.
- Weighing on prices was another rise in U.S oil production, which hit a weekly record of 10.9 million bpd last week, according to the Energy Information Administration (EIA) yesterday.
- U.S crude output has risen almost 30 percent in the last two years, and is now close to top global producer Russia, which churned out 11.1 million bpd in the first two weeks of June. U.S output is now above that of top exporter Saudi Arabia, which produced slightly above 10 million bpd.
- U.S consumption of gasoline rose to a record 9.88 million bpd last week, according to the EIA. U.S crude inventories fell by 4.1 million barrels, to 432.4 million barrels.
- Russian and Saudi production has been held back voluntarily since 2017, when the Organization of the Petroleum Exporting Countries (OPEC), together with some non-OPEC producers, including Russia, started supply cuts to prop up 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 rallied significantly yesterday, reaching towards the \$17 level which of course will attract a lot of attention. Economists think that the sellers most certainly will show up at this area, but it is obviously in and uptrend. Market player think that the market picking up at short-term dips should continue to attract a lot of value hunting, and it's only a matter of time before it break out to the upside, especially if it get some type of geopolitical shock or possibly even a "risk on" move. In general, the market should offer plenty of opportunities, and it look at short-term dips as an opportunity to pick up physical silver. As far as short-term investors are concerned, a little bit of a pullback in order to pick up some value, especially if it can trade the futures market. If it do break above the \$70.00 level, then it would anticipate that the \$17.25 level would be the next significant target.

Pivot:	16.97		
Support	16.78	16.73	16.68
Resistance	17.05	17.11	17.20

Source: FX EMPIRE

Highlights

- Silver fell 0.2 percent to \$16.97 an ounce. It hit its highest since April 23 at \$17.11
- The U.S dollar index has moved to its daily low, which has also helped out the precious metals market bulls
- Overall macro view remains largely unchanged and it still remains bullish on silver
- U.S producer price index for May was released today and came in at up 0.5% and the number was forecast to come in at up 0.3% from April
- July Comex silver was last up \$0.009 at \$16.90 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 dipped away from seven-week highs hit in the previous session. Silver is down 0.2% in intraday trading today to \$16.83 an ounce, after hitting a seven-week high yesterday at \$16.95.
- Silver backed off recent highs as risk appetite grew in the market and commodity demand, especially on safe havens, declined as the dollar gained ground. Optimism surged after the US and North Korea summit, which buoyed the dollar but weighed on gold and silver.
- Investors await the crucial Federal Reserve's policy decisions, expected to conclude in an interest rate hike to just below 2%. Silver outperformed gold last week in global markets and gained around 1.87 per cent, settling at \$16.82 per troy ounce.
- After the recent G7 meeting, the dollar index is showing weakness again and there are chances of a renewed trade war between the US and the rest of the world
- Market is also digesting two important events of this week. First, the meeting between US President Trump and North Korean President Kim Jong Un. Second, the Fed policy call as the market is expecting a rate hike from the central bank.
- Looking at the global developments and positive fundamentals, we expect silver prices to continue to trade in an upward direction in the international market, which could test \$17.40-17.80-18.20 soon.
- Silver is able to sustain and close above its resistance level of \$16.60 per troy ounce in the international market. Silver contract will show weakness only when it closes and sustains below \$16.30 per troy ounce, but such chances are remote.

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, June 14, 2018



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs June 14	06:00	AUD Consumer Inflation Expectation (JUN)	Medium	4.2%		3.7%
Thurs June 14	06:30	AUD Employment Change (MAY)	High	12.0k	19.0k	18.3k
Thurs June 14	06:30	AUD Unemployment Rate (MAY)	High	5.4%	5.5%	5.6%
Thurs June 14	13:30	GBP Retail Sales Ex Auto Fuel (YoY) (MAY)	Medium	4.4%	2.5%	1.4%
Thurs June 14	16:45	EUR European Central Bank Rate Decision (JUN 14)	High		0.00%	0.00%
Thurs June 14	16:45	EUR ECB Marginal Lending Facility (JUN 14)	High		0.25%	0.25%
Thurs June 14	16:45	EUR ECB Deposit Facility Rate (JUN 14)	High		-0.40%	-0.40%
Thurs June 14	17:30	USD Retail Sales Advance (MoM) (MAY)	High		0.4%	0.3%
Thurs June 14	17:30	USD Export Price Index (YoY) (MAY)	Medium			3.8%

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
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