

## Gold

### Technical

Gold markets initially rallied during the session yesterday, reaching towards the \$1320 level, an area that has been both support and resistance recently. It has rolled over from there, and it looks as if the market is trying to settle somewhere near the \$1315 level. Ultimately, the market will probably react to the jobs number more than anything else, so if the jobs number is very strong, and that should help the US dollar in general, which of course will put bearish pressure on this market. Alternately, if the jobs numbers very soft we could see the US dollar fall, thereby putting upward pressure in the gold market. Economists recognize the \$1300 level as a significant support level, that breaking down below there could open the door to the \$1275 level. The one thing can be count on is a lot of choppiness and volatility in this market, because there is so much uncertainty in the US dollar.

Pivot:	1,313		
Support	1,310	1,306	1,301
Resistance	1,318	1,320	1,326

Source: FX EMPIRE

### Highlights

- Gold prices gained as the U.S dollar softened with geopolitical uncertainties also provided support
- The Dollar eased after profit-taking and that helped gold find some support
- Slowing the pace of interest rate increases would be positive for gold
- The Dollar was little changed, but seeped into negative territory in a choppy trading session as investors took profits
- June gold rose \$7.10 or 0.5%, to settle at \$1,312.70 an ounce

### 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 rose for a third straight session today as the dollar slipped further from 2018 highs, while investors turned their focus to the upcoming U.S jobs data for fresh catalysts.
- Spot gold had risen by 0.2 percent to \$1,313.46 per ounce, but was headed for a third consecutive weekly decline. Spot gold is biased to bounce more to a resistance at \$1,326 per ounce, as suggested by its a projection analysis and a falling channel. U.S gold futures for June delivery rose 0.1 percent to \$1,313.90 per ounce.
- The Dollar index was about 0.1 percent lower at 92.367, moving further away from a 2018 peak of 92.834 hit on Wednesday. Asian shares stepped back as financial markets turned their attention to the U.S payrolls data due later in the day.
- Gold Prices seem to be really slow waiting for the nonfarm payroll data. The U.S payrolls report for April is likely to underscore the strength in labour market. Nonfarm payrolls likely increased by 192,000 jobs in April after rising 103,000 in March.
- The Fed said inflation on a 12-month basis was expected to run near the committee's symmetric 2 percent objective. Boosted prices is the expectation that inflation will be allowed to run up a little higher and rates are not going to chase it.
- From the geopolitical standpoint, uncertainty, whether its surrounding Iran, elections in Africa or trade wars, doesn't translate to strong buying in gold. But it is limiting the downside in prices.
- Gold demand has made its weakest start to a year since 2008, the World Gold Council said, with stagnant prices and the threat of rising rates leading investors to seek better returns elsewhere.

### 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 has found quite a bit of selling pressure yesterday, as it continues to see a lot of volatility in the market, but we also see a significant amount of consolidation. The \$67 level underneath is massive support, so it would not be surprised at all to see some type of bounce from there. Economists believe that it is currently consolidating between the \$67 level on the bottom, and the \$69 level on the top. With the jobs number coming out today, it's likely that it will continue to see volatility. Brent markets initially tried to rally yesterday as well but found enough resistance near the \$73.50 level to turn around and fall towards the \$73 handle. That is an area that is short-term support, extending down to the \$71 level. If it breaks down through \$73, then it's a slow grind down to 71. A massive amount of support at \$70, and of course the uptrend line underneath.

Pivot:	68.37		
Support	67.75	67.20	66.85
Resistance	68.90	69.35	70.00

Source: FX EMPIRE

### Highlights

- Crude oil gained for a second session as potential for U.S. withdrawal from Iran nuclear pact grows
- The market may retest a price support level at \$72.39 per barrel after peaking around a resistance at \$75.45
- Oil prices may fall if expectations for new sanctions ease
- OPEC produced 31.93 million barrels of oil a day in April, down from a revised 31.97M in March
- Crude inventories in the U.S. rose much more than expected in the week ended April 27, with a 6.2 million barrel build

### 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 prices held steady on Friday after shedding earlier gains, as market jitters kicked in over the prospect of geopolitical risks from possible new U.S. sanctions against Iran.
- U.S. West Texas Intermediate crude futures were trading 1 cent lower at \$68.42 per barrel. Brent crude oil futures were at \$73.59 per barrel, down 3 cents or 0.04 percent, from their last close after touching an intraday high of \$73.80 per barrel in early morning trading.
- Oil finished higher yesterday for a second day as investors worried that a potential U.S. withdrawal from the Iran nuclear agreement, and the International Monetary Fund's threat to expel Venezuela, will lead to tighter global crude supplies.
- Current prices reflect a premium for Iran uncertainties. Investors are worried about supplies after Iran took a tough stance in its response to the United States.
- Investors have been wrestling with uncertainty over whether President Donald Trump would reinstate sanctions against Iran by scrapping the 2015 international nuclear deal. The deal required that the Middle East oil producer curb its nuclear activities in return for the easing of sanctions on Tehran. The U.S. decision is due by May 12.
- Price action continues to suggest that WTI bulls remain heavily reliant on geopolitical tensions and fears of supply shortages to sustain the current upside. While oil could appreciate further if the U.S. withdraws from the 2015 Iran nuclear deal.
- Iran's foreign minister said yesterday that U.S. demands to change its 2015 nuclear agreement with world powers were unacceptable, as a deadline set by President Donald Trump for Europeans to "fix" the deal loomed.

### 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 tried to rally yesterday but found the \$16.50 level to be a bit too expensive for the market to continue to go higher. Now that rolled over and it looks as if it will form a bit of a shooting star for the daily candle, the market is looking to go lower, perhaps in anticipation of a stronger US dollar, exacerbated by a strong jobs number. It shows that the interest rates will go higher in America, and that of course helps the greenback. Ultimately, that suggests that the value of precious metals must go lower, because the markets are priced in those very US dollars. Alternately, if the jobs number is a huge mess, it could see Silver try to break above the \$16.60 level, which is short-term resistance. A move above there could open the door to \$16.75, and then \$17 level. Longer-term, but the market will probably fall in the short term, perhaps testing the \$16 level yet again.

Pivot:	16.42		
Support	16.33	16.19	16.11
Resistance	16.58	16.65	16.73

Source: FX EMPIRE

### Highlights

- Spot silver rose 0.6 percent at \$16.45 an ounce, earlier hitting a one-week high at \$16.59
- Private sector employment rose 204 thousand in April, as markets await the official payrolls report expected to show 189 new jobs then last month
- Silver prices hit its one-week high as U.S Dollar retreated
- Silver price fluctuates, and the price gets positive signals through stochastic that might push to achieve more intraday gains
- The Dollar index was little changed at 92.449, while Asian shares were steady

### 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 prices managed to rise today for the third straight session as Asian stock indices lost ground, underpinning demand on silver as an alternative investment, while dollar retreated. Silver rose to \$16.46 an ounce from the opening of \$16.42, with a session-high at \$16.47, and a low at \$16.42.
- Meanwhile, the U.S Dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, inched up 0.12% to 90.23.
- Dollar-denominated assets such as silver are sensitive to moves in the dollar, a fall in the dollar makes silver less expensive for holders of foreign currency and thus increases demand for the precious metal.
- Silver's advance comes amid short-covering operations, especially as the dollar index took a back seat, opening the door for dollar-denominated commodity futures to recover.
- However, most of the focus will likely be on average hourly earnings figures, which are expected to rise 0.2% following a gain of 0.3% a month earlier. On an annualized basis, wages are forecast to increase 2.7%, the same as the rise seen in March.
- Steady wage growth would add to signs of building inflation pressures and likely keep the Federal Reserve on a gradual path of monetary policy tightening. The U.S is scheduled to release a slew of data later in the day, including nonfarm payrolls and the jobless rate that might give another push to the greenback.
- A global trade war have eased but that does not mean it is over. Often seen as an alternative investment at times of political and financial uncertainty, silver was on track for a third straight quarter of gains. Silver also drew support from a drop in Asian stock indices today on persistent US-China tensions.

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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

Friday, May 04, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri May 04	14:00	EUR Euro-Zone Retail Sales (YoY) (MAR)	Medium	0.8%	1.9%	1.8%
Fri May 04	17:30	USD Change in Non-farm Payrolls (APR)	High		193k	103k
Fri May 04	17:30	USD Two-Month Payroll Net Revision (APR)	Low			-50k
Fri May 04	17:30	USD Change in Private Payrolls (APR)	Medium		190k	102k
Fri May 04	17:30	USD Unemployment Rate (APR)	High		4.0%	4.1%
Fri May 04	17:30	USD Average Hourly Earnings (YoY) (APR)	Medium		2.7%	2.7%
Fri May 04	17:30	USD Average Weekly Hours All Employees (APR)	Medium		34.5	34.5
Fri May 04	19:00	CAD Ivey Purchasing Managers Index s.a. (APR)	Low			59.8
Fri May 04	22:00	USD Baker Hughes U.S. Rig Count (MAY 4)	Medium			1021

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