

## Gold

### Technical

Gold markets when sideways during the week again, as it continue to see a lot of support underneath. The \$1200 level seems to be a bit of a magnet for price, and therefore it's only a matter time before it could rally at this point. Alternately, if it make a fresh, new low then it could unwind to the \$1100 level. Currently, market participants know that the Federal Reserve is likely to continue hiking rates, but it also realize that there are a lot of other situations around the world that could have people looking for safety in the precious metals market. Emerging markets are getting hammered by US dollar strength, just as gold is, so that's probably the bridge to higher pricing of precious metals, the US dollar to drop a bit. If it break above the \$1215 level, then the next target would be the \$1250 level, which of course is a round number and an area that has been support and resistance.

Pivot:	1,202		
Support	1,192	1,189	1,184
Resistance	1,208	1,206	1,202

Source: FX EMPIRE

### Highlights

- Gold futures declined in Asian trade to October 2 lows, as the dollar index gained ground
- The trade war is affecting China more than realised and therefore the need to ease on policy, which dampened demand for gold there
- The move nudged the yuan 0.1% lower against the dollar to 6.90, as the US-China trade dispute deepens
- Investors have been flocking to the US dollar recently as a safe haven from global trade tensions
- The US economy strengthens and the Federal Reserve continues to tighten the monetary policy

### Gold - Technical Indicators

RSI 14	45.44
SMA 20	1,267.2
SMA 50	1,252.1
SMA 100	1,256.3
SMA 200	1,277.8

Source: FX EMPIRE

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold fell today as the dollar firmed after China's central bank eased its domestic policy to support the economy amid concerns that an escalating trade dispute with the United States could hurt growth.
- Spot gold was down 0.5 percent at \$1,196.61 an ounce. U.S gold futures fell 0.5 percent to \$1,200.50 an ounce. Speculators cut their net short position in COMEX gold by 4,186 contracts to 73,128 in week to Oct. 2. Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.20 percent to 730.17 tonnes, on Friday.
- The dollar was up 0.1 percent against a basket of six major currencies, as China followed an easing in domestic policy by allowing yuan to fall, though the drop was not as sharp as some had feared.
- Gold prices have fallen more than 12 percent from a peak in April largely due to strength in the dollar, which has benefited from a vibrant U.S economy, rising U.S. interest rates and fears of a global trade war.
- U.S unemployment rate fell to near a 49-year low, as per the Labor Department's monthly employment report on Friday, which also showed a steady rise in wages, suggesting moderate inflation pressures, that could keep the Federal Reserve on a path of gradual interest rate increases.
- Spot gold may test a support at \$1,193 per ounce, a break below which could cause a loss to the next support at \$1,188, while a break above \$1,201 could lead to a gain into \$1,207-\$1,214 range.
- The dollar index has not gained much, the decision by China might be seen by some market participants as some sign of softness as a result of the trade war, which could benefit the dollar.

### 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

U.S. West Texas Intermediate and international-benchmark crude oil futures are trading lower early Monday after a U.S government official said the Trump administration was considering granting waivers to its sanctions against Iran's crude exports which are scheduled to begin on November 4. Additionally, a report that Saudi Arabia stands ready to replace any potential shortfall from Iran also weighed on prices. For weeks, crude oil has been underpinned and driven higher by U.S sanctions set to target Iran's crude oil exports during the first week in November, and the Trump administration has been leaning on governments and global companies to cut their imports to zero. The first piece of bearish news weighing on prices that a U.S government official said on Friday that the country could consider exemptions for nations that have already shown efforts to reduce their imports of Iranian oil.

Pivot:	74.60		
Support	72.95	72.35	71.70
Resistance	75.60	75.20	74.60

Source: FX EMPIRE

### Highlights

- Oil prices are up 20% so far this year as OPEC and Russia carry on their agreement to cut global output
- Brent crude is trading at nearly \$85 a barrel, compared to \$65 at the beginning of the year
- Oil prices have been rising as U.S sanctions against Iran's crude exports are set to start next month
- There are developments in the oil market including supply and the increase in global demand
- Drillers cut two oil rigs in the week to Oct. 5, bringing the total count down to 861

### Crude - Technical Indicators

RSI 14	55.83
SMA 20	48.93
SMA 50	46.53
SMA 100	47.26
SMA 200	51.85

Source: FX EMPIRE

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Brent crude oil prices fell more than 1 percent today after Washington said it may grant waivers to sanctions against Iran's oil exports next month, and as Saudi Arabia was said to be replacing any potential shortfall from Iran.
- International benchmark Brent crude oil futures were at \$83.26 per barrel, down 90 cents, or 1.1 percent, from their last close. U.S West Texas Intermediate crude futures were down 54 cents, or 0.7 percent, at \$73.80 a barrel.
- U.S sanctions will target Iran's crude oil exports from Nov. 4, and Washington has been putting pressure on governments and companies worldwide to cut their imports to zero.
- U.S government official said on Friday that the country could consider exemptions for nations that have already shown efforts to reduce their imports of Iranian oil. In a sign that Iran oil exports won't fall to nothing from November, India will buy 9 million barrels of Iranian crude next month.
- Hedge funds cut their bullish wagers on U.S crude in the latest week to the lowest level in nearly a year, data showed on Friday. Investors said ongoing concerns that the U.S-Chinese trade war could slow down economic growth also weighed on crude.
- China's stocks fell sharply today despite an announcement from Beijing over the weekend that it would slash the level of cash that banks must hold as reserves, a sign of underlying investor anxiety over the heated Sino-U.S. trade war.
- Further weighing on oil prices was "chatter that Saudi Arabia has replaced all of Iran's lost oil. The U.S oil drilling rig count fell for a third consecutive week, as rising costs and pipeline bottlenecks have hindered new drilling since June.

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	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 continue to go back and forth, forming a neutral candle for the week as it bounce around between the \$15 level on the top, and the \$14 level on the bottom. The \$15 level above being broken should send this market much higher, perhaps reaching towards the \$15.50 level, and then eventually the \$16 level. The \$14 level underneath should be supportive, but if it break down below, silver could unwind to the \$12 level. This is a market that has seen a lot of buying pressure at the \$14 level, and it has essentially been a "floor" in this market. At this point it makes sense to be a buyer of silver more than a seller, but it need a little bit of help from the US dollar. Seen the EUR/USD pair rally significantly could be the help that it need, and that could send this precious metals market higher. It will continue to be volatile, but ultimately the trade is probably more of an investment.

Pivot:	14.66		
Support	14.34	14.23	14.15
Resistance	14.82	14.77	14.66

Source: FX EMPIRE

### Highlights

- Silver is off 0.3% this week to trade at \$14.67 per ounce
- Precious metals are not just down year-to-date but down big from their 2011 highs
- Metals are very volatile and it's hard to know if silver has hit bottom, but prices are low enough to be interesting
- Silver prices are down more than 70% from their 2011 peak, making it the most head-turning precious metal right now
- Spot silver prices fell down to 0.7 percent to \$14.48

### Silver - Technical Indicators

RSI 14	19.80
SMA 20	17.27
SMA 50	16.72
SMA 100	16.85
SMA 200	16.87

Source: FX EMPIRE

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver futures fell nearly one percent in Asian trade as the dollar index inched up, while both Japan and US markets close down today for bank holidays. Despite the recent pickup in buying, premiums on popular silver bullion products remain relatively low. And spot prices remain extremely low, making this truly a buyer's market for the white metal.
- Silver futures due in December fell 0.85% to \$14.53 an ounce, marking week lows, while the dollar index edged up 0.14% to 95.76 against a basket of major rivals. Precious metals markets struggled this week against the forces of rising bond yields and a stronger U.S dollar.
- On Sunday, the People's Bank of China cut reserve requirements for Chinese banks for the fourth time this year amid attempts to ease policies and bolster spending.
- The economy created 134 thousand new jobs last month, down from 270 thousand in August, and below estimates of 185K, as the trade deficit widened to \$53.2 billion from \$50.0 billion, barely below estimates of \$53.4 billion. US data released last Friday showed the unemployment rate fell to 3.7% near 49 year lows from 3.9%, while averages wages rose 0.3% as expected.
- As for the silver markets, they appear to have based out and have the potential break out this fall. Spot silver prices started to generate some noticeable upside momentum last week but didn't get any real follow through this week, however.
- A pickup in buying is more apparent in the silver bullion market where sales of Silver Eagles surged in September to a total of 2.9 million. The Silver Eagle market appears to be off to a strong start in October as well. The U.S. Mint reported 350,000 Silver Eagles sold on Monday, the first day of month.

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	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2017	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
12/12/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
12/19/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
12/29/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/02/2018	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Monday, October 08, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Oct 08	06:45	CNY Caixin China PMI Composite (SEP)	Medium	52.1		52.0
Mon Oct 08	06:45	CNY Caixin China PMI Services (SEP)	Medium	53.1	51.4	51.5
Mon Oct 08	10:30	AUD Foreign Reserves (Australian dollar) (SEP)	Low			A\$71.0b
Mon Oct 08	10:45	CHF Unemployment Rate s.a. (SEP)	Medium	2.5%	2.5%	2.6%
Mon Oct 08	11:00	EUR German Industrial Production n.s.a. and w.d.a. (YoY) (AUG)	Medium	-0.1%	-0.1%	1.1%
Mon Oct 08	13:00	CHF Total Sight Deposits CHF (OCT 5)	Low	577.504b		577.9b
Mon Oct 08	13:00	CHF Domestic Sight Deposits CHF (OCT 5)	Low	469.434b		474.8b
Mon Oct 08	13:30	EUR Euro-Zone Sentix Investor Confidence (OCT)	Low	11.4	11.7	12
Mon Oct 08	14:30	USD Fed's Bullard Speaking in Singapore	Low			

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](http://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