

## Gold

### Technical

Gold markets have drifted slightly lower as it continue to bounce around the \$1205 level. This is a market that is highly influenced by the US dollar so of course pay a lot of attention to that, using the EUR/USD pair as a de facto gauge of US dollar strength. If that market falls below the 1.15 level, it's likely that gold markets will fall as well as it will take less US dollars to buy an ounce. Otherwise, if the EUR/USD pair turned around and rally significantly, that should lift gold prices as well. The \$1200 level would be very interesting for buying opportunities, but if it break down below that could also find buyers at the \$1195 level after that. Short-term, it should continue to turn around and try to buy and sell every five dollars, as it is obviously an increment that a lot of investors are paying attention to currently. Recently though, it has certainly seen a lot of buying pressure overwhelm sellers.

Pivot:	1,198		
Support	1,195	1,192	1,188
Resistance	1,202	1,205	1,208

Source: FX EMPIRE

### Highlights

- Gold prices inched down today, after upbeat U.S economic data and hawkish comments from Federal Reserve policymakers
- The dollar is very strong and putting gold under pressure
- Gold remains heavy due to strong U.S economic data which supports the emerging hawkish Fed narrative, underpinning the dollar sentiment
- A stronger greenback makes dollar-denominated gold more expensive for holders
- Higher interest rates tend to boost the dollar and putting pressure on gold prices

### 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 prices moved in a narrow range today after losses in the previous session, with robust U.S economic data and hawkish comments from Federal Reserve policymakers boosting the dollar.
- Spot gold was up 0.1 percent at \$1,198.16 an ounce, after falling about 0.5 percent in the previous session. U.S gold futures were down 0.1 percent at \$1,202.1 an ounce.
- The dollar index against a basket of six major currencies was up 0.3 percent, after climbing to a six-week peak of 96.116 overnight. With U.S equities hitting record highs here, the stickiness in equity prices will continue and the dollar strength will continue to materialize with what the U.S Federal Reserve is doing.
- U.S services sector activity raced to a 21-year high in September and companies boosted hiring, signs of enduring strength in the economy at the end of the third quarter. The upbeat reports today likely keep the Federal Reserve on track to raise interest rates again in December.
- Fed policymakers continue to signal that gradual U.S interest rate hikes will be enough to tame inflation despite a fast-growing economy, even as a jump in longer-term borrowing costs suggests investors may be increasingly nervous about that rosy scenario.
- Markets will continue to shun gold as it don't have any incentive really to park money as it is seeing interest rates going up. A stronger greenback makes dollar-denominated gold more expensive for holders of other currencies, while rising interest rates increase the opportunity cost of holding non-yielding bullion.
- Gold prices have fallen for six months, shedding some 11 percent, largely due to the dollar's strength. The greenback has benefited from a vibrant economy, rising U.S interest rates and fears of a global trade war.

### 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 initially when sideways during most of the day today as it has seen for a couple of days now, but broke down rather significantly, reaching down towards the \$74.25 level. It bounced significantly from there to reenter the consolidation area again, so it shows just how much resiliency there is in this market. This is a clear signal that dips are to be bought, and therefore it should look at pullbacks as a potential value play. This will be especially true if the US dollar loses a bit of strength as well. The Iranian oil sanctions of course are starting to put upward pressure on the market. Brent markets also fell during the trading session, reaching towards the \$84 level, an area that makes sense for support. It bounced from there as well to smash back into the \$85 level, and this shows it is most certainly looking to continue to go higher.

Pivot:	76.33		
Support	75.70	74.90	74.25
Resistance	76.90	77.30	77.75

Source: FX EMPIRE

### Highlights

- U.S crude oil stockpiles rose by their most in a week since March 2017
- The strong gains came despite data from the U.S government which revealed the largest weekly rise of the year in U.S crude inventories
- Oil futures rallied yesterday as reported declines in Iranian exports due to pending U.S oil sanctions
- Refining activity held steady nationwide last week with crude runs inching up 77,000 bpd
- The crude oil inventories jumped by 8 million barrels in the week to Sept. 28 four times of expectations.

### 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 rose nearly 2 percent after hitting a four-year high yesterday as the market focused on upcoming U.S sanctions on Iran while shrugging off the year's largest weekly build in U.S crude stockpiles and reports of higher Saudi Arabian and Russian production.
- Brent crude rose \$1.49, or 1.8 percent, to settle at \$86.29 a barrel, after hitting \$86.74, its highest since Oct. 30, 2014. U.S crude settled \$1.18, or 1.6 percent, higher at \$76.41 a barrel, after touching a session high of \$76.90.
- Earlier in the session, crude had been pushed lower as Saudi Energy Minister Khalid al-Falih said the kingdom had raised output to 10.7 million barrels per day in October and would pump more in November. The record high for Saudi output is 10.72 million bpd in November 2016.
- Russia and Saudi Arabia struck a private deal in September to raise oil output to cool rising prices and informed the United States before a meeting in Algiers with other producers.
- Iran, however, accused Saudi Arabia and Russia of breaking OPEC's agreement on output cuts by producing more crude, adding that the two countries would not be able to produce enough oil to make up for a reduction in Iranian exports.
- Net U.S crude imports rose last week by 1.1 million barrels per day as exports fell 913,000 bpd. Over the past four weeks, crude oil imports averaged about 7.8 million bpd, 10.2 percent more than the same four-week period last year.
- Oil prices have been rising as the United States is set to re-establish sanctions against Iran that have already reduced exports from OPEC's No. 3 producer. Both crude benchmarks have been trading near four-year highs. However, Midwest refinery utilization rates dropped to 78.9 percent, to their lowest since Oct. 2015.

### 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 gone sideways, testing the \$14.70 level for support, and finding it. The \$14.85 level has offered resistance, and it has just gone back and forth. The market has been explosive lately, so it's not overly surprising that it may need to take a bit of a breather. The \$15 level above will continue to cause a major resistance barrier, so be aware of that if it do rally. Otherwise, it could pullback but the \$14.50 level should offer plenty of support as well. The easiest way to play the silver market is to simply watch the US dollar. The EUR/USD pair is the easiest way to keep track of the US dollar, as it is so highly represented in the US Dollar Index. If the EUR/USD pair rallies, that typically help silver as it brings down the value of the US dollar by default. Otherwise, if the pair falls and breaks through a major barrier such at the 1.15 level, then silver will collapse and it will drop rather drastically.

Pivot:	14.57		
Support	14.42	14.34	14.24
Resistance	14.71	14.82	14.91

Source: FX EMPIRE

### Highlights

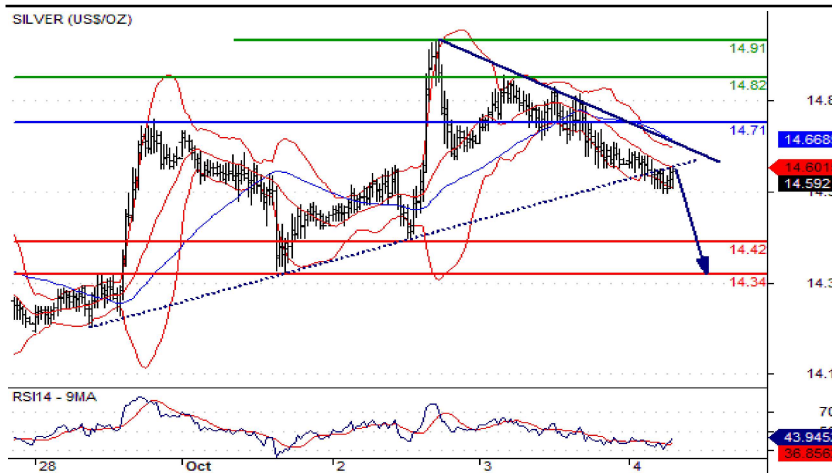
- Silver was up 0.2 percent at \$14.67 per ounce, hovering close to the previous session's high of \$14.91, its highest in more than a month
- Gold prices down-ticked following the report, while U.S stock indexes up-ticked
- Silver futures fell in Asian trade off August 15 highs
- The dollar index climbed to August 20 highs, ahead of US labor data today
- December Comex silver was last up \$0.002 at \$14.695 an ounce

### 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 prices are moderately lower in early-afternoon U.S trading yesterday. A very upbeat U.S economic report that lifted the U.S stock indexes and a rally in the U.S dollar index worked against the safe-haven metals.
- Silver futures tilted lower in American trade off August 15 highs as the dollar index hit December 20 highs, following a spate of services and labor data from the US. Federal Reserve Governor Randal Quarles is due to speak about trends in community banks at the Community Banking in the 21st Century conference at the Federal Reserve Bank of St. Louis.
- Silver futures due in December shed 0.48% to \$14.60 an ounce away from two-month highs, while the dollar index rose 0.37% to 96.11, marking August 20 highs. Now investors await US unemployment claims data for the week ending September 29, expected to steady at 214 thousand with no change, while continuing claims are expected to have risen 4 thousand to 1.665 million.
- Silver has had a tough year so far, with spot silver prices on Kitco.com touching a yearly low of \$13.95 in September. During the last five years, spot silver lost 32.54%, decreasing 10.73% in the last six months alone. Spot silver was last trading at \$14.65, down 0.14% on the day.
- Earlier US data showed private sector employment rose 230 thousand in September, adding to the 168 thousand in August, and beating estimates of 185 thousand. US ISM services PMI rose to 61.6 in September from 58.5, beating estimates of 58.0. The non-farm payrolls number is expected to come in up 180,000.
- Services PMIs are crucial as two thirds of American GDP are dependent on the services sector, with the readings covering many aspects of the economy such as retail, housing, utilities, healthcare, and finance. U.S. ADP national employment report for September showed a gain of 230,000. Forecasters were expected a rise of 185,000 jobs.

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

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/05/2017	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

Thursday, October 04, 2018



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thurs Oct 04	06:30	AUD Trade Balance (AUG)	Medium	A\$1604m	A\$1450m	A\$1551m
Thurs Oct 04	12:30	EUR Markit Germany Construction PMI (SEP)	Medium	50.2		51.5
Thurs Oct 04	17:30	USD Initial Jobless Claims (SEP 29)	Medium		213k	214k
Thurs Oct 04	17:30	USD Continuing Claims (SEP 22)	Medium		1665k	1661k
Thurs Oct 04	18:00	MXN Consumer Confidence Index (SEP)	Medium			103.9
Thurs Oct 04	19:00	USD Factory Orders (AUG)	Medium		2.2%	-0.8%
Thurs Oct 04	19:00	USD Durable Goods Orders (AUG F)	Medium			4.5%
Thurs Oct 04	19:00	USD Durable Goods Orders (AUG F)	Medium			4.5%
Thurs Oct 04	23:00	MXN Overnight Rate (OCT 4)	High			7.75%

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