

Gold

Technical

Gold prices moved higher in yesterday's trading session but ran into resistance as comments from Mario Draghi about the need for additional European stimulus was offset by President Trump describing how unfair it is for the dollar to be gaining traction. Gold prices moved higher but ran into resistance near the February highs at 1,346. Support on the yellow metal is seen near the 10-day moving average at 1,336. Additional support is seen near the 50-day moving average at 1,295. Short term momentum is mixed. The fast stochastic recently generated a crossover sell signal in overbought territory which reflects a potential correction. The relative strength index (RSI) moved higher with price action reflecting accelerating positive momentum. The current reading on the RSI is 71, above the overbought trigger level of 70 which could foreshadow a correction.

Pivot:	1,308		
Support	1,308	1,285	1,267
Resistance	1,365	1,388	1,400

Source: FX EMPIRE

Highlights

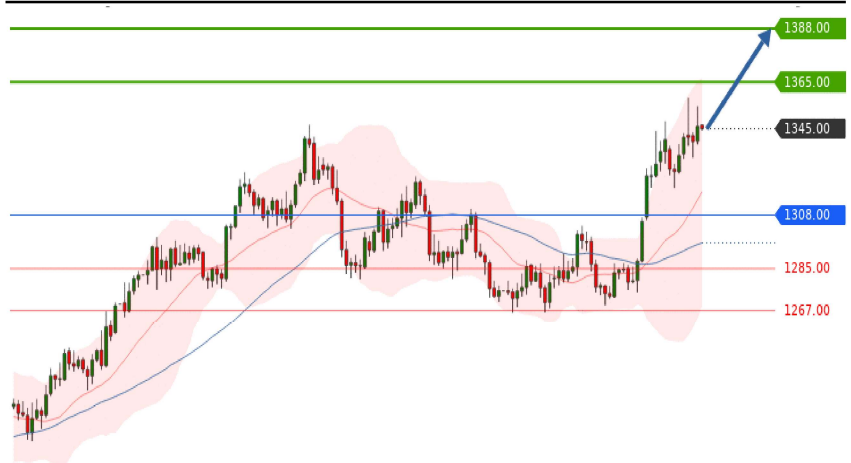
- Gold prices climbed yesterday to settle at their highest in 14 months
- Comments made by European Central Bank President Mario Draghi were seen as setting the stage for lower interest rates
- Draghi's comments came ahead of the U.S Federal Reserve's monetary policy statement due later today
- If the Fed comes out near as dovish, gold will continue to march higher
- U.S President Donald Trump hinted at progress in trade talks with China

Gold - Technical Indicators

RSI 14	54.93
SMA 20	1,221.4
SMA 50	1,231.2
SMA 100	1,264.9
SMA 200	1,282.0

Source: FX EMPIRE

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices pared gains in yesterday's trading session after U.S President Donald Trump confirmed he would meet with Chinese President Xi Jinping at an international summit, fanning hopes for a quick end to the U.S.-China trade dispute.
- Earlier in the yesterday's trading session, yellow metal prices had briefly surged to 1% after central banks in Europe and the United States hinted at monetary easing. Spot gold gained 0.5% to \$1,345.70 per ounce. Prices had risen to \$1,354.20 earlier, before Trump said in a tweet he had a very good telephone conversation.
- The two leaders will meet at the G20 meet later this month in Japan, where the discussions will focus on trade in the midst of a bitter tariff spat, that has upset global markets since its conception a year ago. U.S gold futures settled 0.6% higher at \$1,350.7 per ounce.
- Commodities on the risk side have gone up and gold has traded lower, on the back of the agreement between the U.S. and China on the trade side. Equity markets rallied following Trump's comments while the dollar index held tight at two-week highs.
- European Central Bank President Mario Draghi said the bank would need to ease policy again with tepid inflation, while markets expect the U.S Federal Reserve to cut interest rates later this year. Traders are looking at an immediate future for easing money from central banks, which should see gold trading higher for the time being.
- As long as gold holds the \$1,333 level intraday, it is good for bullion. Prices ran up after expectations from central banks, but there has been no definitive answers to retain those levels on an intraday basis. Palladium rose 2.2% to \$1,481.51 per ounce, after hitting \$1,489.03 the session, its highest level since March 27.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2019	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2019	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2019	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2019	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2019	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI Crude Oil market rallied significantly during the trading session on Tuesday, reaching towards the \$54.50 level. There is a significant amount of resistance at the \$55 level as well, so at this point if we can break above there we could get moving in a very bullish stance. However at this point it's a bit early to get overly excited about buying this market. After all, we still have the FOMC coming out today, and that of course will have an influence on the US dollar. That being said, we are still technically in the range bound trading block that we have been in for some time. Brent markets initially pulled back during the trading session on Tuesday but then found enough support just above the \$60 level to rally, so it's very likely that we continue to see this market go back and forth. This is a market that has gotten a bit ahead of itself

Pivot:	57.35		
Support	50.45	46.60	42.45
Resistance	57.35	61.00	63.50

Source: FX EMPIRE

Highlights

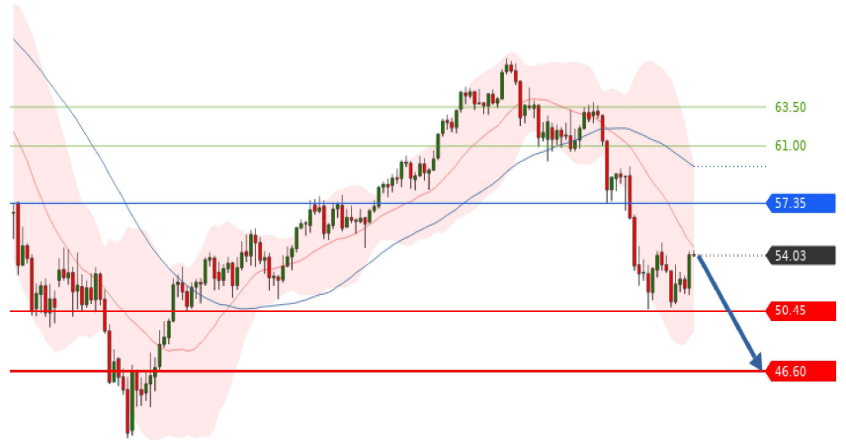
- Oil prices rose more than \$1 a barrel after U.S. President Trump said he would hold an extensive meeting with Chinese President
- Tensions in the Middle East after last week's tanker attacks, planning to send more troops to the Middle East, also lent support
- U.S West Texas Intermediate crude futures rose \$1.75, or 3.4%
- Trump said he was prepared to take action to stop Tehran having a nuclear bomb
- OPEC and non-OPEC states are holding meetings on July 10-12 in Vienna

Crude - Technical Indicators

RSI 14	53.37
SMA 20	53.96
SMA 50	54.08
SMA 100	54.20
SMA 200	54.21

Source: FX EMPIRE

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices extended gains into a second session today, buoyed by rekindled hopes for a U.S.-China trade deal and potential economic stimulus from the European Central Bank (ECB).
- Tensions in the Middle East after tanker attacks there last week also supported oil markets. Brent crude futures were up 20 cents, or 0.3%, at \$62.34 a barrel. They rose 2% on Tuesday.
- U.S West Texas Intermediate crude gained 20 cents, or 0.4%, to \$54.10 a barrel yesterday. The U.S benchmark surged 3.8% in the last session. In a post on Twitter, U.S President Donald Trump said preparations were starting for him to meet Chinese President Xi Jinping at the G20 summit in Osaka, Japan, next week.
- Talks between the United States and China broke down last month after Washington accused the Chinese of backing away from previously agreed commitments.
- Interaction between the two sides since then has been limited, and Trump has threatened, repeatedly, to slap more tariffs on Chinese goods. Meanwhile, ECB President Mario Draghi said on Tuesday that the central bank would ease policy again if inflation fails to accelerate, signaling a policy reversal as the trade war threatened his stimulus efforts.
- It looks like the market is a little bit stunned by the big turnaround in sentiment on the outlook for prices. The real driver here is the ECB statements, which are much more important in terms of support for the global economy.
- Tensions in the Middle East after last week's tanker attacks remain high, with Trump saying he was prepared to take military action to stop Iran having a nuclear bomb but leaving open whether he would sanction the use of force to protect Gulf oil supplies.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2019	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2019	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2019	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2019	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2019	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 quite significantly during the trading session on Tuesday as we continue to wonder where we are going to go next. After all, the European Central Bank has suggested that the regulators were more than willing to step in and start easing monetary policy yet again. If that's going to be the case, then it's very likely that what we are going to see is precious metals rally. Ultimately, we have a meeting by the FOMC coming out on Wednesday, and it's very likely that the Federal Reserve will do the same thing. With that being the case it should be strong for metals overall. Overall, unless the Federal Reserve is more hawkish than expected, I don't see a scenario where precious metals don't gain. That doesn't mean it has to happen in the next 24 hours but everyone need to start thinking about the fact that the market is trying to turn itself around completely.

Pivot:	14.65		
Support	14.65	14.30	14.10
Resistance	15.35	15.62	15.90

Source: FX EMPIRE

Highlights

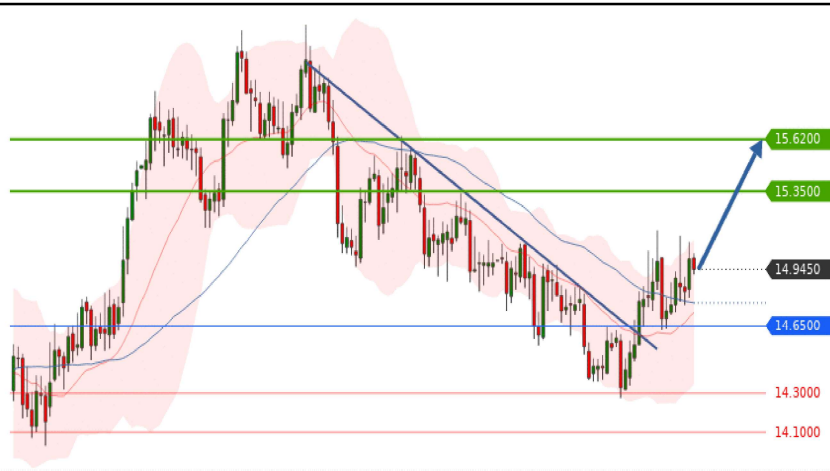
- Silver markets rallied yesterday, reaching towards the \$15.00 level
- U.S President Donald Trump confirmed he would meet with Chinese President Xi Jinping at an international summit
- Equity markets rallied following Trump's comments while the dollar index held tight at two week highs
- European Central Bank President Mario Draghi said the bank would need to ease policy again amidst tepid inflation
- Investors are looking at an immediate future for easing money from central banks

Silver - Technical Indicators

RSI 14	49.96
SMA 20	15.01
SMA 50	15.01
SMA 100	15.00
SMA 200	14.98

Source: FX EMPIRE

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices slipped today in Asian session as hopes of a resolution to the Sino-U.S trade spat and a dovish European Central Bank lifted riskier assets, while investors awaited the U.S Federal Reserve's monetary policy decision later in the day.
- Market players saw equity markets surging today because of U.S. President Donald Trump tweet last night, which has taken a lot of the scepticism out of the market.
- Equity markets jumped after Washington said it would resume trade talks with Beijing and as investors dared to hope the U.S Federal Reserve would follow the lead of the ECB and open the door to future rate cuts at its policy meeting.
- The President Donald Trump said on Tuesday he had spoken to Chinese President Xi Jinping and that the two leaders' teams would restart trade talks after a long lull in order to prepare for a meeting at the G20 summit later this month.
- There are a lot of uncertainties in the market, including tensions in the Middle East and a dovish Fed narrative, which should give support to the precious metals.
- All eyes are now on the Fed which is scheduled to release a statement, followed by a press conference by Chairman Jerome Powell. The Fed is widely expected to stand pat on monetary policy this time but open the door for an interest rate cut at its next meeting in July.
- If the Fed comes out dovish or more dovish or as dovish as markets are pricing, it will weaken the U.S. dollar, which will add to silver's allure. Silver dipped 0.5% to \$14.93 per ounce, while platinum rose 0.2% to \$800.71 today in Asian session.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2019	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2019	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2019	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2019	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2019	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Wednesday, June 19, 2019



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Jun 19	08:30	GBP Consumer Price Index (YoY) (MAY)	High	2.0%	2.0%	2.1%
Wed Jun 19	08:30	GBP House Price Index (YoY) (APR)	Medium	1.4%	1.1%	1.4%
Wed Jun 19	08:30	European Commission President Juncker Speaks in Sintra	Medium			
Wed Jun 19	11:00	USD MBA Mortgage Applications (JUN 14)	Medium			26.8%
Wed Jun 19	12:30	CAD Consumer Price Index (YoY) (MAY)	High		2.1%	2.0%
Wed Jun 19	14:00	ECB President Draghi Gives Closing Remarks at Sintra Forum	High			
Wed Jun 19	14:30	USD DOE U.S. Crude Oil Inventories (JUN 14)	Medium			2206k
Wed Jun 19	18:00	USD FOMC Rate Decision (Upper Bound) (JUN 19)	High		2.50%	2.50%
Wed Jun 19	18:30	Fed Chair Powell Holds Press Conference After FOMC Meeting	High			

Source: Forex Factory, DailyFX

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