

## Gold

### Technical

Gold markets rallied on Wednesday, but quite frankly every time this market rises, I believe there is a good opportunity to start selling. An exhaustive candle above is a nice selling opportunity as far as I can see, as long as we can stay below the \$1200 level. That area should continue to be massive as far as resistance is concerned, and I still believe that we're going to reach towards the \$1100 level below. At the first signs of exhaustion, I am more than willing to start selling gold yet again. I have no interest in buying. The RSI (relative strength index) has moved slightly higher and above the oversold trigger level of 30, which reflects accelerating positive momentum. Momentum appears to be moving higher as the MACD (moving average convergence divergence) index is poised to generate a buy signal. Gold prices were oversold for most of September to date.

Pivot:	1,176		
Support	1,171	1,165	1,160
Resistance	1,185	1,188	1,195

### Highlights

- Gold extended its rise today, rebounding from this week's 10-month low
- The Dollar eased against the euro ahead of a European Central Bank meeting
- In November, the gold posted its biggest monthly fall in more than three years
- An increased appetite for risk and a stronger dollar all weighed on prices at a time of waning demand from top consumers
- The Federal Reserve is expected to hike rates at its meeting next week, a move seen as negative for gold

### Gold - Technical Indicators

RSI 14	25.62
SMA 20	1,261.96
SMA 50	1,274.70
SMA 100	1,303.14
SMA 200	1,288.88

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold edged up today as a fall in the dollar along with long-dated U.S. Treasury bond yields ahead of a European Central Bank meeting prompted safe-haven buying of the precious metal.
- A weaker greenback makes dollar-denominated gold cheaper for holders of other currencies. Spot gold had risen 0.3 percent to \$1,176.56 an ounce. U.S. gold futures were up 0.1 percent at \$1,178.5 an ounce.
- The ECB will extend its already generous asset buys in today's session, aiming to boost stubbornly weak price growth, but with much of its firepower exhausted it may also debate sending a token signal about the eventual end of such purchases.
- Even if the precious metal responds positively to the ECB's expected easing, any advance could be short-lived given that we have a Fed meeting in just over a week
- Strengthening expectations that the Federal Reserve may increase interest rates in its policy meeting next week will likely weigh on gold, as rising U.S. rates raise the opportunity cost of holding non-yielding bullion. Interest rates futures implied traders saw a 95 percent chance that the Fed would raise rates at its policy meeting next Tuesday and Wednesday.
- As we head into the FOMC, it is certain that the Fed will raise rates this time. I believe this is mostly priced into gold. We might still see some reaction and the recent low of \$1,157 may be revisited again.
- Exchange traded funds (ETF) have sold off in a huge manner and global fund managers are shorting gold or reducing positions and the pressure on gold prices is mainly due to this. Holdings of SPDR Gold Trust, dropped 0.72 percent to 863.67 tonnes on Wednesday from Tuesday. Holdings have fallen more than 8 percent since November.

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

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
5/17/2016	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
5/24/2016	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
5/31/2016	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
6/07/2016	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

## Crude Oil

### Technical

The WTI Crude Oil market had a very session on Wednesday, testing the \$50 level which of course is a massive support barrier not only based upon psychological support, and of course the uptrend line that's been in the market for a while. That being said, we did not break down below it so I think that the best thing that you can do is to wait for daily close in order to take a position. A break down below the bottom of the uptrend line should send this market looking for the \$48 level, but I also recognize that a bounce from here could send the market rent back around towards the \$52 level above. If we can get above there, market should continue to go even higher, perhaps reaching towards the \$55 level. Pay attention to the US dollar, it's insert strengthening that might be reason enough for this market to roll over as well. Crude oil stocks built more than expected in Cushing Oklahoma.

Pivot:	49.89		
Support	48.80	48.24	47.40
Resistance	51.10	51.60	52.40

### Highlights

- Oil prices eased yesterday on bearish U.S. petroleum inventory data
- There are doubts that production cuts promised by OPEC and Russia would be deep enough to end a supply overhang
- EIA said crude inventories fell 2.4 million barrels during the week ended Dec. 2
- Stocks at the Cushing, Oklahoma, delivery hub increased by 3.8 million barrels
- Oil prices surged as much as 19 percent after OPEC and Russia announced last week that they would cut production next year

### Crude - Technical Indicators

RSI 14	45.20
SMA 20	45.52
SMA 50	47.64
SMA 100	46.10
SMA 200	45.86

### Crude Oil Daily Graph



### Fundamentals

- Oil prices steadied around \$50 a barrel today, close to the week's lows, on doubts proposed OPEC production cuts would be sufficient to balance the market, although a weaker dollar supported sentiment.
- U.S. light crude was up 20 cents at \$49.97 a barrel. Crude has fallen more than \$2 a barrel from highs reached on Monday when investors bought heavily in the wake of an agreement by the Organization of the Petroleum Exporting Countries and Russia to cut production to reduce a supply glut.
- OPEC members and oil producers outside the group will meet again this weekend in Vienna to discuss details of last week's deal, which aims at an overall reduction in output of around 1.5 million barrels a day.
- Some analysts have suggested promised output cuts may be insufficient to dent global oversupply and rebalance markets. Optimism over the OPEC cut decision has eroded a bit.
- Stocks data yesterday provided little guidance on the state of the U.S. oil market. U.S. crude oil inventories dropped 2.4 million barrels in the week to Dec. 2, compared with analyst expectations for a draw of 1 million barrels.
- But stocks at the Cushing, Oklahoma delivery hub for U.S. crude futures increased by 3.8 million barrels, the most since 2009, according to the U.S. Energy Information Administration (EIA).
- The U.S. dollar index fell as Treasury bond yields eased and investors eyed next week's Federal Reserve meeting. A slightly weaker U.S. dollar is supportive of oil prices.
- Oil markets are on track to tighten over 2017, which will be accelerated by OPEC's decision to reduce production alongside non-OPEC countries. If effectively implemented, the global oil market will return to balance in Q1 2017.

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

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
5/17/2016	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
5/24/2016	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
5/31/2016	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
6/07/2016	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

## Silver

### Technical

Silver markets broke higher during the day on Wednesday, clearing the \$17 level. However, the market players think there is plenty of resistance above, extending all the way to the \$17.50 level. Leave as soon as the silver market get some type of exhaustive candle, the sellers will return. After all, the silver markets are in a pretty significant downtrend in general, and therefore investors have no interest in buying. Investors and traders believe that this will simply offer yet another selling opportunity over the longer term. Patience will be needed, but eventually I'll be selling this market yet again. Buying isn't even an option. Silver is still poorly postured, but a weaker dollar may help give them a boost, or keep them afloat at the least. They have their work cut out for them if they are to rally, so we are in a holding pattern for the most part on precious metals.

Pivot:	17.14		
Support	16.98	16.82	16.62
Resistance	17.37	17.51	17.75

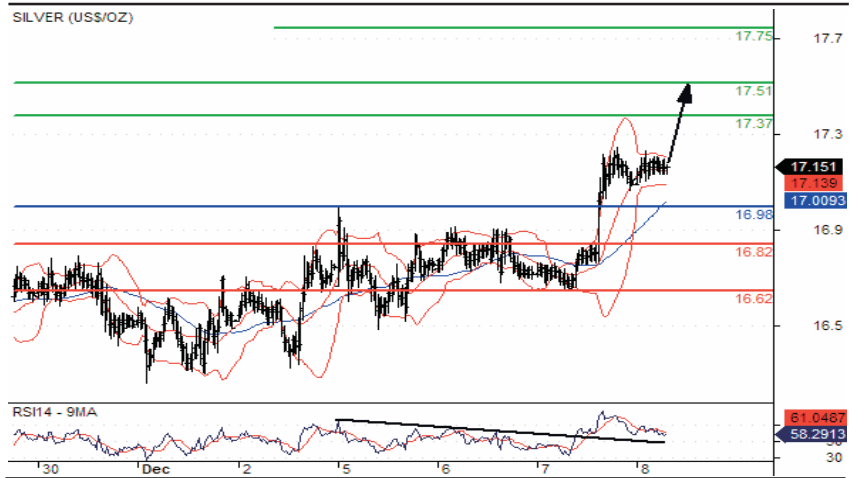
### Highlights

- Silver could be about to make a serious attempt at testing the upside constraint of its bearish channel
- Silver prices continued to edge higher with a further probing of resistance towards the \$17.20 per ounce level
- Overall selling pressure was limited with a reduction in fund liquidation
- Risk appetite held steady, which limited any potential defensive demand for precious metals
- Dollar trends will continue to be watched closely today

### Silver - Technical Indicators

RSI 14	30.06
SMA 20	17.78
SMA 50	18.01
SMA 100	18.74
SMA 200	18.05

### Silver Daily Graph



### Fundamentals

- Silver prices were range bound Wednesday, as investors turned their attention to next week's US Federal Reserve meeting. Silver for March delivery rose 4 cents, or 0.2%, to a session high of \$16.85 a troy ounce. The grey metal was down 0.6% earlier in the day.
- Precious metals have faced renewed downward bias since the US presidential election, although silver prices have held up better than gold over the past two weeks. Since hitting nearly six-month lows in late November, silver futures have rebounded more than 2%.
- Silver's rally was upended on Tuesday by a resurgent US dollar, which had softened following last week's US November nonfarm payrolls report. The US dollar index was little changed Wednesday morning.
- The dollar gained ground against the British pound amid an unexpected plunge in UK manufacturing and industrial production. Movement in the precious metals market has been cautious ahead of next week's Federal Open Market Committee (FOMC) meeting, where traders have assigned a nearly 95% likelihood of a rate increase, according to FedWatch Tool.
- The Fed will release its official rate statement December 14. It will be accompanied by revised economic projections covering GDP, unemployment and inflation. There were no major economic releases were scheduled yesterday.
- The European Central Bank (ECB) on Thursday will also issue its final interest rate decision of 2016 that is expected to provide further clarity around monetary policy. The central bank is expected to extend its bond-buying program, but is likely running out of scope to keep stimulus going.
- However, any mention of tapering quantitative easing will spook investors at a politically sensitive time for the Eurozone. Four of the bloc's five biggest economies are set for major elections next year.

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

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
5/10/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
5/17/2016	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
5/24/2016	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
5/31/2016	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
6/07/2016	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

# Commodity News

Thursday, December 08, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Dec 08	01:00	USD Consumer Credit (OCT)	Medium	\$16.018b	\$18.650b	\$21.797b
Thu Dec 08	04:50	JPY Bank Lending Banks ex-Trust (NOV)	Medium	2.4%	2.5%	2.4%
Thu Dec 08	04:50	JPY Nominal Gross Domestic Product (QoQ) (3Q)	Medium	0.2%	0.2%	0.2%
Thu Dec 08	08:55	CNY Trade Balance CNY (NOV)	Medium	298.11b	316.48b	325.25b
Thu Dec 08	17:45	EUR European Central Bank Rate Decision (DEC 8)	High		0.00%	0.00%
Thu Dec 08	17:45	EUR ECB Marginal Lending Facility (DEC 8)	High		0.25%	0.25%
Thu Dec 08	17:45	EUR ECB Asset Purchase Target (DEC)	High		EU80b	EU80b
Thu Dec 08	18:30	USD Initial Jobless Claims (DEC 3)	Medium		255k	268k
Thu Dec 08	18:30	USD Continuing Claims (NOV 26)	Medium		2048k	2081k

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	(Assistant 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