

Gold

Technical

Gold prices consolidated as the dollar stabilized for the first time since Friday's soft employment report. A better than expected productivity report helped the dollar gain traction against the yellow metal. Support is seen near the 10-day moving average at 1,224, while resistance is seen near the May highs at 1,304. Momentum has turned positive as the MACD (moving average convergence divergence) index generated a buy signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses above the 9-day moving average of the spread. U.S. Q1 nonfarm productivity growth was revised up to -0.6% versus the preliminary -1.0% pace. This compares to Q4's -1.7% rate. Unit labor costs also were bumped up to 4.5% versus 4.1%.

Pivot:	1,247		
Support	1,234	1,223	1,217
Resistance	1,251	1,258	1,261

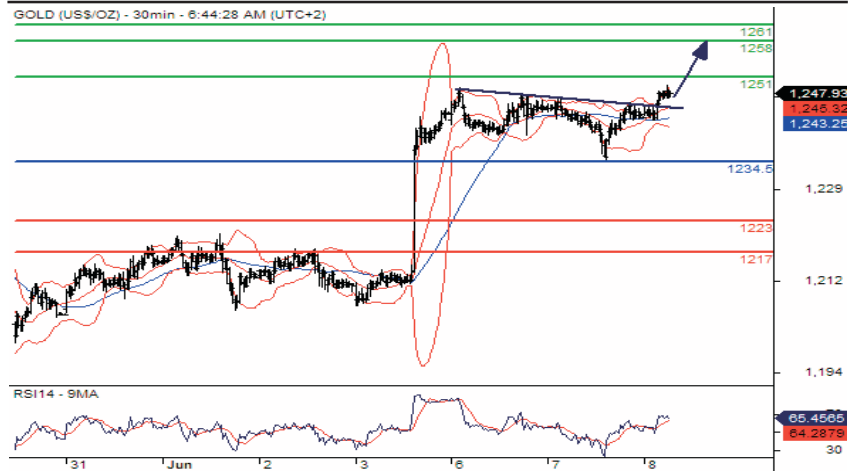
Highlights

- Gold prices pared losses yesterday as investors contemplated the likelihood that the Fed would raise interest rates
- Gold for August delivery settled nearly flat, falling 40 cents to \$1,247.00 a troy ounce
- Fed Janet Yellen didn't provide a timeline for projected rate increases
- Over the past few trading sessions, financial markets lost confidence in the likelihood of a summer Fed hike
- Detracting gold's appetite was some bullish momentum in the stock market

Gold - Technical Indicators

RSI 14	55.43
SMA 20	1,236.47
SMA 50	1,251.33
SMA 100	1,240.69
SMA 200	1,172.53

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold touched a fresh two-week high today as the possibility of an early U.S. interest rate hike appeared to dim following dovish comments by Federal Reserve Chair Janet Yellen earlier this week.
- Yellen gave a largely upbeat assessment for the U.S. economy on Monday and said interest rate increases were coming, but investors focused on her lack of guidance about when.
- Spot gold was up 0.6 percent at \$1,250.80 an ounce by 0649 GMT. It hit a high of \$1,251.00 earlier in the session, its strongest since May 23. U.S. gold climbed 0.5 percent to \$1,253.20.
- The direction for this week will be a little quiet (for gold), waiting for the FOMC meeting next week. But I think nothing is going to change due to disappointing non-farm payroll data.
- Weak U.S. payrolls data, released last week, has boosted expectations that the Fed will stand pat on interest rates for the time being. Gold is highly sensitive to rising rates, which lift the opportunity cost of holding non-yielding bullion. Gold, which slid more than 6 percent in May, has risen about 2.7 percent so far this month on dampened expectations of an early rate hike.
- The World Bank slashed its 2016 global growth forecast on Wednesday, which could also throw cold water on a possible Fed move. It boils down to how the Fed will take into consideration this global slowdown. If they take this very seriously and show no urgency in a rate hike then it will be a boon for gold.
- The world's biggest consumer of the yellow metal, China, kept its gold reserves unchanged, at 58.14 million fine troy ounces at the end of May, from the end of April, the central bank said on Tuesday. China still has enormous U.S. dollar holdings and is likely to keep purchasing gold in order to diversify its forex reserves, which should serve as a supportive factor for the metal.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	227381	82403	73%	120854	284003	30%	49448	31277	61%	384,974
01- Mar-16	223186	70773	76%	115571	287002	29%	51148	36,819	61%	450555
08- Mar-16	252895	78085	76%	116493	311865	27%	53520	32958	62%	499110
15- Mar-16	247659	78147	76%	118610	304141	28%	49810	33791	60%	493086
22- Mar-16	258646	79815	76%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

Crude traded above the \$50 mark into the N.Y. open, peaking so far at \$50.35, an eight-month high. Supply disruptions have been supportive of prices of late, as has Saudi Arabia's pledge not to materially add to its current output levels. Cushing, OK stocks drew down over 1.0 million barrels last week, while the market expects U.S. stockpiles to fall nearly 4.0 million barrels for the latest week, when API reports inventories after the close, both adding to bullish sentiment. The next upside target comes at \$50.92, which represents the October 9, 2015 top. Support on crude oil is seen near the 10-day moving average at 49.38. Momentum is relatively flat as the MACD (moving average convergence divergence) index prints in the red with a downward sloping trajectory which points to lower prices. The RSI on the other hand, moving average with price action reflecting positive momentum.

Pivot:	50.56		
Support	49.80	49.45	49.10
Resistance	50.75	51.00	51.30

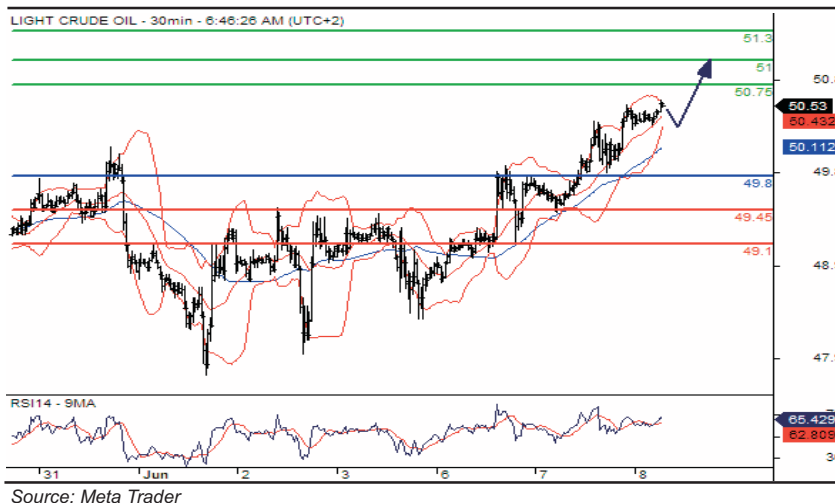
Highlights

- Crude oil prices scaled beyond the \$50 mark earlier today in Asian session
- Supply disruptions in Nigeria and likely declines in the U.S crude inventories and production fuelled bullish sentiment
- On the New York Mercantile Exchange, crude futures for delivery in July traded at \$50.52 a barrel, up \$0.16, or 0.3%
- The jump is largely driven by the ongoing supply disruption in Nigeria
- The EIA said in its short-term energy that domestic crude production fell by 250,000 barrels a day

Crude - Technical Indicators

RSI 14	70.85
SMA 20	49.18
SMA 50	46.13
SMA 100	40.71
SMA 200	39.99

Crude Oil Daily Graph



Fundamentals

- Oil prices jumped more than 1 percent yesterday, hitting 2016 highs, with U.S. crude settling above \$50 a barrel the first time in almost a year, on expectations of domestic stockpile draws and worries about global supply shortfalls from attacks on Nigeria's oil industry.
- U.S. crude stockpiles likely fell by 2.7 million barrels last week to mark a third straight week of declines, an updated Reuters poll showed. A report by trade group American Petroleum Institute (API), released after prices settled, showed a higher-than-expected crude draw of 3.6 million barrels.
- The U.S. Energy Information Administration (EIA) will issue official inventory numbers on Wednesday. Crude oil rallied in the past two sessions after rebels in Nigeria's Niger Delta vowed to halt output in the country, Africa's biggest producer until last year. The Nigerian government said it was initiating talks with the rebels.
- The market remains concerned about unscheduled supply interruptions with the latest coming from additional shut-ins in Nigeria. With the industry projecting a decline in total U.S. crude oil stocks in this week's reports, the market bears are remaining on the sidelines.
- U.S crude's West Texas Intermediate futures CLc1 settled up 67 cents, or 1.4 percent, at \$50.36 a barrel. It was WTI's first settlement above \$50 since July 2015. The session high was \$50.53, a peak from October. Both Brent and WTI have almost doubled in value since winter, when they hit their lowest since 2003.
- Prices bounced off those lows on talk of an OPEC production freeze, which did not materialize. The rally heightened after last month's wildfires in Canada's oil sands region and also has been supported by supply outages elsewhere, including Nigeria, Venezuela and Libya.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01- Mar-16	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
08- Mar-16	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
15- Mar-16	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
22- Mar-16	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

The silver market fell initially during the course of the day on Tuesday, but turned back around to form a hammer. The \$16.20 level below is supportive, and as a result it looks as if the market will more than likely go higher, and if we can break above the top of the hammer, the market should find plenty of interest as the US dollar has been taking a beating. If we broke down below the bottom of the hammer, that would have us rethinking the entire situation. Technically, the main trend is down according to the daily swing chart, however, momentum has been to the upside for three days. Investors are trying to claw back some of the losses experienced since the May 2 top. The short-term range is \$17.43 to \$15.83. Its retracement zone at \$16.63 to \$16.82 is the primary upside target. Since the trend is down, sellers may show up on a test of this zone.

Pivot:	16.45		
Support	16.22	16.15	16.02
Resistance	16.55	16.65	16.75

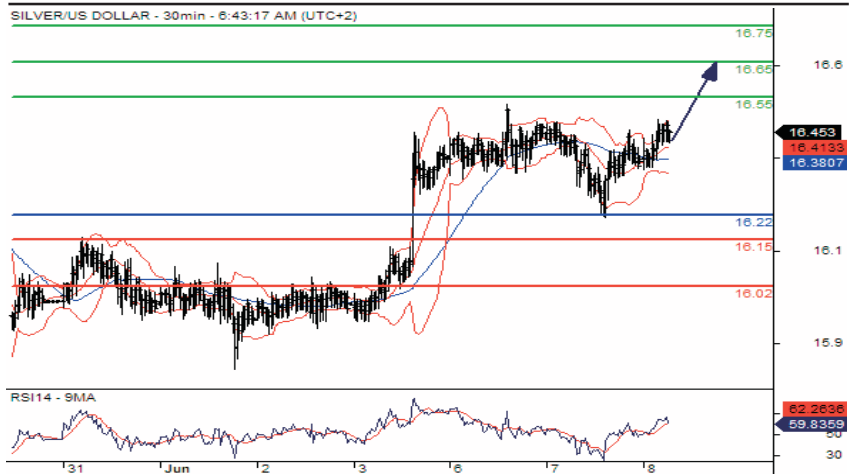
Highlights

- During the beginning months of 2016, the white metal emerged as the bull of metal race
- Silver is also regarded as a safe haven asset, but less than gold due to its wider industrial use it has greater cyclical characteristics
- Federal Reserve Chairwoman Janet Yellen said on Monday that US interest rates would rise gradually
- There are no major economic data reports scheduled today
- Last month's dismal jobs report is expected to keep the Fed on the sidelines for a while

Silver - Technical Indicators

RSI 14	56.67
SMA 20	16.38
SMA 50	16.77
SMA 100	16.04
SMA 200	15.32

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices traded lower yesterday and were on pace for their first decline in four days, as investors reacted to comments from Federal Reserve Chair Janet Yellen that interest rates would rise gradually.
- Silver for July delivery fell 12 cents or 0.7% to \$16.33 a troy ounce on the Comex division of the New York Mercantile Exchange. The grey metal faces immediate resistance around \$16.56 and \$16.80. On the downside, key supports are located at \$16.27 and \$16.15.
- Precious metals were weaker across the board yesterday, as investors searched for new trading catalysts amid sizable gains in global stocks. As of Monday, one ounce of gold was worth 75.76 ounces of silver. The so-called gold-silver ratio is used by investors to determine when to buy and sell precious metals.
- Federal Reserve Chairwoman Janet Yellen said on Monday that US interest rates would rise gradually "because positive economic forces have outweighed the negative," a sign policymakers were keen on normalizing monetary policy sooner rather than later.
- However, the Fed boss did not outline a specific timetable for when interest rates could rise. Traders have abandoned any expectation that rates could increase at next week's Federal Open Market Committee (FOMC) policy meeting.
- The likelihood of a July rate hike stands at about 27% as of Monday, according to the CME FedWatch tool. Last month's dismal jobs report is expected to keep the Fed on the sidelines for a while longer until more robust economic data pave the way for renewed rate-hike speculation.
- There are no major economic data reports scheduled in the New York session on Tuesday. The calendar picks up early Wednesday when Japan releases revised first quarter GDP data.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01- Mar-16	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
08- Mar-16	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
15- Mar-16	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
22- Mar-16	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Wednesday, June 08, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Jun 08	01:30	AUD Home Loans (APR)	medium	1.7%	2.8%	-0.7%
Wed Jun 08	03:07	CNY Trade Balance (MAY)	medium	\$49.98b	\$55.70b	\$45.56b
Wed Jun 08	07:15	CHF Consumer Price Index (YoY) (MAY)	medium	-0.4%	-0.4%	-0.4%
Wed Jun 08	08:30	GBP Industrial Production (YoY) (APR)	medium	1.6%	-0.3%	-0.2%
Wed Jun 08	11:00	USD MBA Mortgage Applications (JUN 3)	low			-4.1%
Wed Jun 08	12:15	CAD Housing Starts (MoM) (MAY)	medium		190.0K	191.5k
Wed Jun 08	12:30	CAD Building Permits (MoM) (APR)	medium		2.3%	-7.0%
Wed Jun 08	14:00	GBP NIESR Gross Domestic Product Estimate (MAY)	medium			0.3%
Wed Jun 08	14:30	USD DOE U.S. Crude Oil Inventories (JUN 3)	medium			-1366k

Source: Forex Factory, DailyFX

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