

Gold

Technical

August Comex Gold futures surged to the upside after taking out the May 2 main top at \$1308.00 and the \$1308.20 contract high from January 22, 2015. The rally was fueled by the U.S. Federal Reserve's monetary policy statement and comments from Fed Chair Janet Yellen that indicated it could be less aggressive in tightening monetary policy next year. The Fed left interest rates unchanged on Wednesday and the policy statement suggested that a rate hike in July is also likely off the table. It did signal, however, that it still planned to raise rates twice in 2016, though it said slower economic growth would crimp the pace of monetary policy tightening in future years. Gold buyers also stepped up activity when Asian stocks turned lower today while the dollar slid to a 21-month low. Activity in the physical market also continued to support higher prices.

Pivot:	1,302		
Support	1,290	1,278	1,265
Resistance	1,308	1,315	1,323

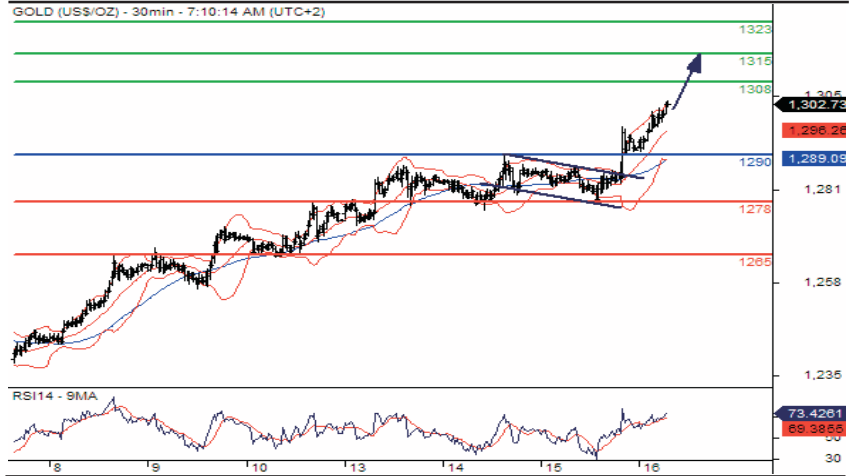
Highlights

- Gold jumped to the highest level since August 2014 after the Federal Reserve scaled back the outlook for interest-rate increases
- Chair Janet Yellen signaled rates may stay lower for longer
- Bullion for immediate delivery advanced as much as 1.4 percent to \$1,309.89
- Prices have surged 23 percent this year as increasing global economic and political risk drives investors to havens
- The Bank of Japan kept monetary policy unchanged today

Gold - Technical Indicators

RSI 14	65.40
SMA 20	1,242.60
SMA 50	1,256.06
SMA 100	1,246.98
SMA 200	1,176.28

Gold Daily Graph



Fundamentals

- Gold jumped to its highest in nearly two years today, after the U.S. Federal Reserve indicated it could be less aggressive in tightening monetary policy next year. Spot gold had climbed 1.7 percent to \$1,312.55 an ounce, after touching its highest since August 2014 at \$1,313.60.
- U.S. gold rose 2.2 percent to \$1,316.30, after marking its strongest level since last August at 1,316.80. The Fed kept interest rates unchanged on Wednesday and signaled it still planned to raise rates twice in 2016, though it said slower economic growth would crimp the pace of monetary policy tightening in future years.
- Gold is sensitive to interest rate hikes, which increase the opportunity cost of holding the non-interest yielding metal. The bullish impact of the FOMC's decision to leave rates unchanged and the tone of the statement are near-term gold bullish. But the impact may be limited as the market had already largely ruled out a near-term rate rise.
- A small majority of Wall Street's top banks expects the Fed to raise interest rates no more than once this year, results of a Reuters poll showed on Wednesday.
- The Fed's cautious stance comes ahead of a referendum in Britain on June 23 on whether it would exit the 28-member European Union. The move dubbed Brexit could tip Europe back into a recession, putting more pressure on the global economy and boosting the safe-haven appeal of bullion.
- The Fed's outlook was surprising since the U.S. economy has been doing relatively well compared to the rest of the world. The market will now monitor the Brexit situation more closely. Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.23 percent to 900.75 tonnes on Wednesday, the highest since October 2013.

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

Crude oil prices were nearly unchanged following a report from the Department of Energy that revealed a larger than expected draw in gasoline inventories. Demand for gasoline remains robust. Prices were down ahead of the report as the API inventory report, released on Tuesday showed crude oil and product stock increases. Prices remain below resistance near the 10-day moving average at 49.37, while support is seen near the 50-day moving average at 45.97. Momentum remains negative as the MACD (moving average convergence divergence) index prints in the red with a downward sloping trajectory which points to lower prices. The EIA also reported that U.S. commercial crude oil inventories decreased by 0.9 million barrels from the previous week. Expectations were for a 2-million-barrel draw. Total gasoline inventories decreased by 2.6 million barrels last week.

Pivot:	47.51		
Support	46.50	45.55	44.50
Resistance	48.72	49.30	50.00

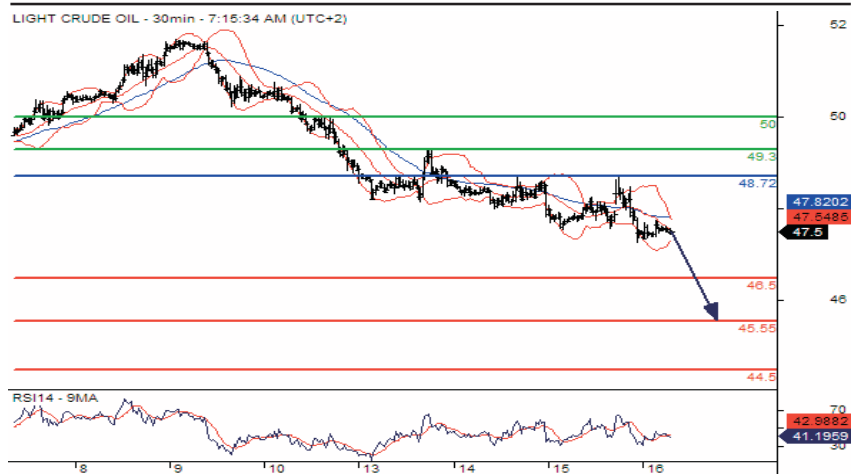
Highlights

- Oil prices fell in early Asian trade, heading for a sixth day of declines, following a lower-than-expected draw on US stockpiles
- US crude futures were down 39 cents, or nearly 1 per cent, at \$47.62 a barrel
- Oil prices have fallen everyday after June 8, losing about 8 per cent of their value
- US crude stocks fell last week, the government had said yesterday, but the decline was much smaller than anticipated
- Crude inventories fell 933,000 barrels last week, the US EIA reported

Crude - Technical Indicators

RSI 14	46.50
SMA 20	49.26
SMA 50	47.05
SMA 100	41.89
SMA 200	40.01

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices hit their lowest in more than three weeks on Thursday, the sixth straight day of losses and longest bearish run since early 2016, as U.S. crude stocks fell less than expected and concerns over Britain's future in the EU weighed.
- Brent crude futures, the global benchmark, have slipped 9 percent in just five sessions after touching an eight-month high of nearly \$53 a barrel a week ago. Front-month U.S crude futures CLc1 were trading at \$47.37 a barrel, down 64 cents, and reached a one-month low of \$47.22 earlier in the session.
- Today, the contract traded as low as \$48.14, the weakest since May 24. Prices were down 68 cents at \$48.29, set for the longest losing streak in five months. It is mainly risk aversion ahead of the Brexit vote next week so we see some profit-taking on recent long positions ahead of this event.
- With a week to go before Britain votes on whether to leave the European Union, oil and other markets remain in thrall to opinion polls, which are increasingly showing those supporting an exit are in the majority.
- Prices also took a bearish signal from weekly U.S crude stock data on Wednesday showing a smaller-than-expected decline. Crude inventories fell by 933,000 barrels last week, the U.S Energy Information Administration reported, less than half the 2.3-million-barrel decrease expected by analysts.
- The US Fed had signalled that it still plans two US rate hikes this year despite slower growth expectations, also hitting the oil market. With a week to go before Britain votes on leaving the EU, oil and other markets also remain in thrall to opinion polls, which are showing those supporting an exit are in the majority.
- Analysts said the fall in crude oil futures is mostly in tune with a weak trend in Asian trade where it sank for a sixth straight session today, tracking a sell-off across equities.

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

The silver markets rose during the course of the session on Wednesday, breaking above the \$17.40 level. It looks as if we are going to continue to try to grind higher, and I believe at this point in time the pullbacks will be looked at as value that traders will take advantage of. Given enough time, it's very likely that the buyers will return again and again as the US dollar continues to struggle but there are also quite a few other concerns around the world that make buying precious metals attractive at this point. The cap on momentum has been the 17.35 to 17.55/60 area where inflection points were created during the first half of May. Rising support coupled with resistance is forcing silver into a small rising wedge-like pattern as we head towards a potentially major market moving event – the FOMC rate decision/policy statement/'dot-plot'. For now, focus will be on the technical developments.

Pivot:	17.75		
Support	17.45	17.18	16.91
Resistance	18.00	18.25	18.45

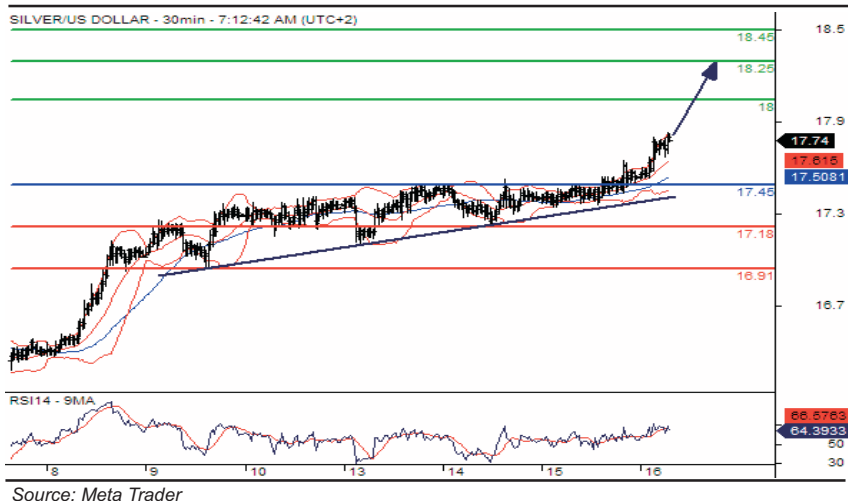
Highlights

- Prices have advanced 29 percent in 2016, as investors scale back expectations for increases in U.S. interest rates
- Holdings in exchange-traded funds backed by silver swelled to a record
- Investors sought a haven from global economic and political risk
- Federal Reserve Chair Janet Yellen signaled Wednesday that secular forces may keep borrowing costs lower for longer
- Investor anxiety over a British vote June 23 is also bolstering prices

Silver - Technical Indicators

RSI 14	68.08
SMA 20	16.61
SMA 50	16.93
SMA 100	16.18
SMA 200	15.37

Silver Daily Graph



Fundamentals

- Silver rose to as high as \$17.76, its highest since May 2, before trading 1.3 percent higher at \$17.73 per ounce after the U.S. Federal Reserve indicated it could be less aggressive in tightening monetary policy next year.
- The Fed kept interest rates unchanged on Wednesday and signalled it still planned to raise rates twice in 2016, though it said slower economic growth would crimp the pace of monetary policy tightening in future years.
- Precious metals are sensitive to interest rate hikes, which increase the opportunity cost of holding the non-interest yielding metal. The bullish impact of the FOMC's decision to leave rates unchanged and the tone of the statement are near-term bullish.
- Holdings in exchange-traded funds backed by silver swelled to a record as investors sought a haven from global economic and political risk. Assets expanded 72.6 metric tons to 20,227.2 tons as of June 15 and have risen 7.3 percent this year.
- Prices have advanced 29 percent in 2016, outperforming gold, as investors scale back expectations for increases in U.S. interest rates, benefiting precious metals because they don't offer yields or dividends.
- Federal Reserve Chair Janet Yellen signaled Wednesday that secular forces may keep borrowing costs lower for longer, which helped push gold to the highest level since 2014. Silver joined the rally, adding 2 percent. Investor anxiety over a British vote June 23 on whether to leave the European Union is also bolstering prices.
- The Fed's cautious stance comes ahead of a referendum in Britain on June 23 on whether it would exit the 28-member European Union. The move dubbed Brexit could tip Europe back into a recession, putting more pressure on the global economy.

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, June 16, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Jun 16	06:30	AUD Unemployment Rate (MAY)	high	5.7%	5.7%	5.7%
Thu Jun 16	06:30	AUD Employment Change (MAY)	high	17.9k	15.0k	0.8k
Thu Jun 16	07:45	JPY BOJ Basic Balance Rate (JUN 16)	high	0.10%		0.10%
Thu Jun 16	07:45	JPY BOJ Policy Rate (JUN 16)	high	-0.10%		-0.10%
Thu Jun 16	12:30	CHF SNB Sight Deposit Interest Rate (JUN 16)	high	-0.75%	-0.75%	-0.75%
Thu Jun 16	16:00	GBP Bank of England Rate Decision (JUN 16)	high		0.50%	0.50%
Thu Jun 16	17:30	USD Initial Jobless Claims (JUN 11)	medium		270k	264k
Thu Jun 16	17:30	USD Philadelphia Fed. (JUN)	medium		1.3	-1.8
Thu Jun 16	17:30	USD Consumer Price Index (YoY) (MAY)	high		1.1%	1.1%

Source: Forex Factory, DailyFX

Disclaimer: This document has been prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. This document and the information may not be reproduced, distributed or published by any recipient for any purpose.

Contact Details

IGI Commodity Team

Karachi Office

Tel: (+92-21) 35301392 Cell: 0321-4499228 igi.commodity@igi.com.pk

Lahore Office

Zaeem Haider Khan Tel: (+92-42) 35777863-70 Cell: 0321-4772883 zaeem.haider@igi.com.pk
 Syed Zeeshan Kazmi Tel: (+92-42) 35777863-70 Cell: 0321-4499228 zeeshan.kazmi@igi.com.pk
 Ehsan Ull Haq Tel: (+92-42) 35777863-70 Cell: 0321-4861015 ehsan.haq@igi.com.pk

Islamabad Office

Muhammad Naveed Tel: (92-51) 2604861-62 Cell: 0345-5599900 muhammad.naveed@igi.com.pk

Faisalabad Office

Gul Hussain Tel: (92-41) 2540843-45 Cell: 0344-7770878 gul.hussain@igi.com.pk

Rahim Yar Khan Office

Laiq Ur Rehman Tel: (+92-68) 5871653-55 Cell: 0300-8670967 laiq.queshi@igi.com.pk

Multan Office

Mehtab Ali Tel: (+92-61) 4512003 Cell: 0300-6348471 mahtab.ali@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Karachi Stock Exchange Limited and Lahore 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-F.C.C. Ground Floor, Syed Maratib Ali
 Road, Gulberg II, Lahore
 Tel : (+92-42) 35777863-70, 35876075-76
 Fax : (+92-42) 35763542

Faisalabad Office

Room #: 515-516, 5th Floor, State Life
 Building, 2- Liaquat Road, Faisalabad
 Tel : (+92-41) 2540843-45
 Fax : (+92-41) 2540815

Islamabad Office

Mezzanine Floor Razia Sharif Plaza,
 90-Blue Area G-7, Islamabad
 Tel : (+92-51) 2802241-42, 2273439, 2273443
 Fax : (+92-51) 2802244

Stock Exchange Office

Room # 719, 7th Floor, KSE Building
 Stock Exchange Road, Karachi
 Tel : (+92-21) 32429613-4, 32462651-2
 Fax : (+92-21) 32429607