

Gold

Technical

August Comex Gold futures appear to be in a holding pattern while investors await the results of the UK referendum on June 23 as to whether the country will remain a member of the European Union. A vote to leave is widely expected to cause chaos in the financial markets which should encourage investors to seek shelter in safe haven assets like gold, the U.S. Dollar and Japanese Yen. The main trend is up according to the daily swing chart. However, after a 12-day rally, the market appears to be losing momentum as investors take profits and wait for fresh news. The main range is \$1201.50 to \$1318.90. Its retracement zone at \$1260.20 to \$1246.30 is the primary downside target. An uptrending angle passes through this zone at \$1310.90, making it a valid downside target also. Based on the close at \$1294.80, the first upside target today is a downtrending angle at \$1302.50.

Pivot:	1,281		
Support	1,272	1,264	1,256
Resistance	1,297	1,308	1,315

Highlights

- Gold eased in Asia on Monday as weekend polls showed momentum building for the "Remain" camp in this week's Brexit vote
- Gold for August delivery fell 0.25% to \$1,291.50 a troy ounce
- Gold soared to \$1,318.90 late last week, the most since August 2014
- Yellen is scheduled to testify on the economy before the Senate Banking Committee on Tuesday
- Market players are pricing in a 7% chance for a rate hike in July and 24% for September

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 fell over 1 percent today in Asian trading session, after registering its biggest one-day gain in two weeks in the previous session, easing on indications that Britain could opt to remain in the European Union in a referendum later this week.
- Three opinion polls ahead of Thursday's vote showed the 'Remain' camp recovering some momentum, although the overall picture remained one of an evenly split electorate. Hedge funds and money managers took their bullish stance in gold to the highest in nearly five years in the week to June 14, US government data showed on Friday.
- The surveys boosted Asian stocks and sterling, and increased investors appetite for risk assets, hurting gold. A vote by Britain to leave the 28-member EU, dubbed "Brexit," could tip Europe back into recession, putting more pressure on the global economy and thus boosting the safe haven appeal of the bullion. US gold slid 0.6 percent to \$1,286.70.
- Spot gold dropped 1.1 percent to \$1,283.80 an ounce by 0358 GMT, after touching a low of \$1,280.80 earlier in the session. Bullion rose about 1.5 percent on Friday, its biggest single day gain since June 3.
- We have to suspect that markets will remain quite choppy in the lead up to the British vote and in gold's case, the path of least resistance will likely be higher. There could be a "post-vote" let down on Friday and heading into the following week, especially if investors realize that a 'Leave' vote is not going to have the Armageddon-like ending many are fearing.
- However, with a lot of volatile trading expected ahead of the Brexit vote, there was some optimism for bullion as holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.59 percent to 907.88 tonnes on Friday, the highest since September 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 has rallied back to \$47.77 highs on Friday's trading session, after printing a one-month low of \$45.84 on Thursday. The rally was driven by further dollar weakness, and by the apparently better odds of the U.K. staying in the EU following the murder of MP Cox on Thursday. Price action is expected to remain choppy into next Thursday's U.K. Brexit referendum, with market fundamentals likely to take a back seat. Recent Baker Hughes reports have shown an increase in rigs which could lead to a rise in production. Support on crude oil price are seen near the 50-day moving average at 46.30, while resistance is seen near the 10-day moving average at 48.94. 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.

Pivot:	48.51		
Support	47.75	47.30	46.80
Resistance	49.30	50.20	50.70

Highlights

- Oil prices extended gains on the back of a weak US dollar and easing fears of a UK exit from the European Union
- The US dollar fell for the fourth day in a row today in Asian session
- WTI July delivery was up 44 cents, or 0.92 per cent, at \$48.42 a barrel
- The commodity is recovering after seeing sharp spikes and dips in the past fortnight on a jittery market
- Crude last week plunged nearly 10 per cent in six days after hitting 11-month high

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 extended gains in Asian trading session today as a weaker dollar and easing worries over Britain's possible exit from the European Union helped support crude prices.
- NYMEX crude for July delivery, which expires on Tuesday, was up 55 cents at \$48.53 a barrel, after closing up \$1.77, or 3.8 percent, on Friday. Campaigning for Britain's vote on EU membership resumed on Sunday after a three-day hiatus prompted by the killing of a pro-EU lawmaker.
- Three opinion polls ahead of Thursday's vote showed the 'Remain' camp recovering some momentum, although the overall picture remained one of an evenly split electorate.
- With Brexit dominating the market headlines, it might be moves in the U.S. dollar that drive the oil market at least until we get that out of the way. It's likely to be a nervous and skittish week's trading.
- Oil prices continued to recover despite data showing U.S. energy firms adding oil rigs for a third week in a row, suggesting higher production to come. Oil services firm Baker Hughes reported nine rig additions in the week to June 17. Aside from Brexit concerns, the market is likely to be caught in a range as any gains would likely be capped by the return of more shale drillers in the United States.
- Last week, momentum appeared to be building for the campaign to leave the bloc, sending risk-sensitive assets sharply lower. A vote by Britain to leave the European Union may tip Europe back into recession, putting more pressure on the global economy and undermining future oil demand prospects.
- A broadly weaker U.S. dollar lent further support to the commodity, as dollar-priced oil futures become cheaper to investors holding other currencies when the greenback declines.

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 initially rallied during the course of the week, but turned right back around just below the \$18 level. By doing so, we ended up forming a shooting star which of course is a very negative sign. That being the case, if we break down below the bottom of the shooting star, we could drop all the way down to the \$16 level. That area should be supportive though, so somewhere between here and there I would anticipate the buyers will step back into the market and push this commodity higher. If we break above the \$18 level, that would also be reason enough to start going long. The turn and burn with a vengeance gave us clear indication as to where sellers live and buyers don't. While we didn't expect that aggressive of a reversal to take shape (hard to predict), we will take it as our cue for lower prices ahead. The bounce underway at is coming from the lower parallel extending back.

Pivot:	17.34		
Support	17.12	16.91	16.75
Resistance	17.60	17.84	18.00

Highlights

- Silver fell 19.6 cents, on Friday to settle at \$17.41 a troy ounce, after climbing to a six-week high of \$17.88 the day before
- On the week, silver inched up 8.1 cents, or 0.47%, the third consecutive weekly rise
- Market players will be turning their full attention to a highly anticipated referendum
- In terms of U.S data, existing and new home sales as well as durable goods orders will be in focus
- Voters in the U.K appear to be evenly split on whether to support a departure or not

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



Source: Meta Trader

Fundamentals

- Silver futures for July delivery eased 0.01% to \$17.410 a troy ounce as weekend polls showed momentum building for the "Remain" camp in this week's Brexit vote.
- Trading remained volatile before Britain's June 23 referendum on its EU membership and amid fading expectations of a Federal Reserve rate hike in the next couple of months.
- Market sentiment recovered Friday as concerns over a possible Brexit temporarily subsided as traders tried to assess whether the killing of a pro-EU British lawmaker may change the balance of opinions in Britain's upcoming referendum on European Union membership.
- Voters in the U.K. appear to be evenly split on whether to support a departure by the U.K. from the European Union. While the "Remain" campaign held as much as a 70-30 lead several months ago, the "Leave," vote has surged ahead in several prominent polls last week.
- The Fed kept interest rates unchanged on Wednesday and dialed back forecasts for how fast it will raise rates over the next couple of years, citing concerns over the economic outlook.
- While the U.S. central bank retained its forecast for two rates this year, updated projections revealed that six members wanted to see one rate hike this year, compared to just one policymaker in March. Fed forecasts also show at least four fewer hikes than previously projected through 2018.
- Market players are pricing in a 7% chance for a rate hike in July and 24% for September. In the week ahead, market players will be turning their full attention to a highly anticipated referendum on whether Britain remains in the European Union on Thursday. Prior to the referendum, Fed Chair monetary policy testimony in Congress on Tuesday and Wednesday will attract the markets' attention.

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

Monday, June 20, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Jun 20	03:00	NZD Westpac NZ Consumer Confidence (2Q)	medium	106.0		109.6
Mon Jun 20	04:01	GBP Rightmove House Prices (YoY) (JUN)	medium	5.5%		7.8%
Mon Jun 20	04:50	JPY Merchandise Trade Balance Total (Yen) (MAY)	medium	-¥40.7b	¥70.0b	¥823.5b
Mon Jun 20	11:00	EUR German Producer Prices (YoY) (MAY)	low	-2.7%	-2.9%	-3.1%
Mon Jun 20	12:00	JPY Convenience Store Sales (YoY) (MAY)	low	-0.3%		0.9%
Mon Jun 20	13:00	CHF Total Sight Deposits (JUN 17)	low	496.4b		493.8b
Mon Jun 20	13:00	CHF Domestic Sight Deposits (JUN 17)	low	416.5b		415.6b
Mon Jun 20	14:00	EUR Euro-Zone Construction Output w.d.a. (YoY) (APR)	low	-0.4%		0.5%
Mon Jun 20	17:30	CAD Wholesale Sales (MoM) (APR)	low		0.5%	-1.0%

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