

## Gold

### Technical

Gold prices rebounded in yesterday's trading session from last week's lows near support at 1,303, and recaptured the 10-day moving average which is now seen as short term support near 1,321. Resistance is seen near the August highs at 1,340. Friday's softer than expected U.S. payroll report, helped take some of the steam out of the U.S. dollar allowing the yellow metal to gain traction. The Focus this week will be on the monetary policy decision of the ECB which is scheduled to be released on Thursday. Momentum on gold prices is neutral as the RSI (relative strength index) prints a reading of 48, which is in the middle of the neutral range and reflects consolidation. The MACD (moving average convergence divergence) index is poised to generate a buy signal, but the trajectory of the index is flat which also reflects consolidation.

Pivot:	1,328		
Support	1,321	1,316	1,310
Resistance	1,335	1,340	1,344

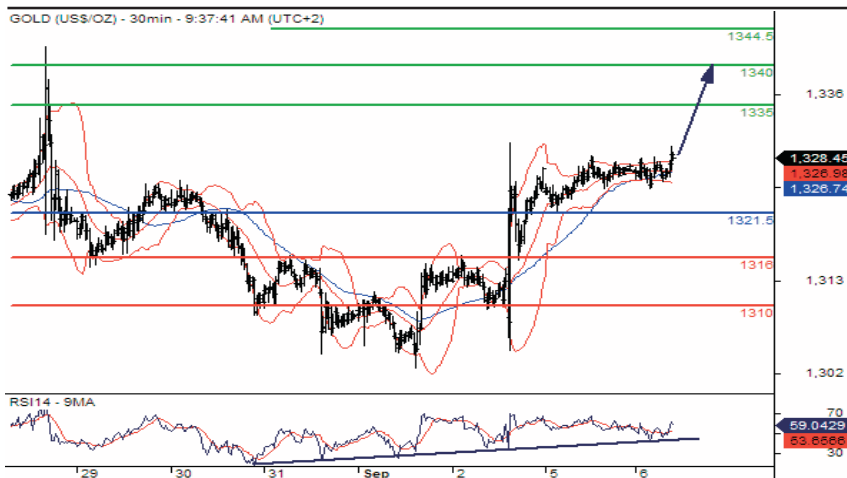
### Highlights

- Gold advanced following a U.S jobs report that appeared to lower the chances for an interest rate increase
- On Friday, gold settled 0.7% higher and eked out a small weekly gain
- The US Federal Reserve's next policy meeting will take place on Sept. 20-21
- The US Labour Day holiday to kept volumes subdued yesterday
- Commodities seem to have come out well and this seems to be leading to a rally on the precious metals

### Gold - Technical Indicators

RSI 14	37.34
SMA 20	1,334.57
SMA 50	1,339.83
SMA 100	1,303.83
SMA 200	1,249.68

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold held steady in yesterday's session, close to a one-week high touched in the previous session, as the dollar dipped on receding expectations of an imminent U.S. interest rate rise but the yellow metal's gains were capped by stronger global stocks.
- Spot gold was up 0.1 percent at \$1,326.33 an ounce. The precious metal hit a one-week high of \$1,328.73 on Friday after data showed U.S. employment growth slowed more than expected in August after two straight months of robust gains. U.S gold futures were up 0.3 percent at \$1,330.7.
- Cooling U.S rate hike expectations helped world shares notch up solid gains yesterday, though they came off highs as investors concluded an oil market pact between Saudi Arabia and Russia lacked substance.
- What we're seeing is a reversal of expectations that U.S interest rates would rise in September. The idea that monetary policy is going to stay super easy is good for gold.
- The U.S Federal Reserve's next policy meeting takes place Sept. 20-21 and a decision to keep policy on hold could mean a lower U.S. currency, making dollar-denominated gold cheaper and more attractive for non-U.S. buyers.
- The U.S Labor Day holiday is expected to keep volumes subdued on Monday, but new U.S data releases and any speeches from Fed officials will be watched closely for clues to the timing of any rate moves.
- JPMorgan analysts expect prices to average \$1,425 an ounce in the first half of next year. The dollar index, which measures the greenback against a basket of six major currencies, stood at 95.762, down about 0.1 percent.
- Economists and traders are also waiting to see whether physical demand picks up in India over the coming weeks because of festivals and the wedding season.

### 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

WTI Crude oil prices surged higher on Monday following a report that a Saudi-Russian agreement had been put in place to form a working ground that would focus on how to reduce oil market volatility. Prices initially surged above resistance near the 10-day moving average at 46.01, to a peak of 46.52, but were not able to hold its gains and edged lower back below the 45 handle. Brent topped 49 per barrel. Support on WTI is seen near the September lows at 43.17. Momentum remains negative as the MACD (moving average convergence divergence) index recently generated a sell signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses below the 9-day moving average of the spread. The index is printing in the red with a downward sloping trajectory which points to lower prices.

Pivot:	45.31		
Support	44.67	44.00	43.20
Resistance	46.00	46.60	47.47

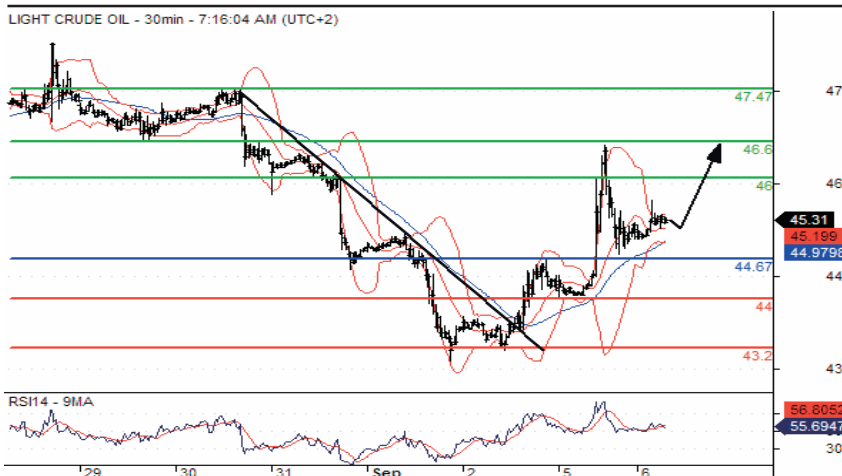
### Highlights

- Oil slipped today, falling further from the previous session's one-week high
- Saudi Arabia and Russia agreed yesterday to cooperate in world oil markets
- Crude for October, which did not settle yesterday due to the Labor Day holiday, was at \$44.96, up 52 cents from Friday's close
- Russian Alexander Novak said he was open to ideas on what cut-off period to use if countries chose to freeze output
- The OPEC and non-OPEC producers will hold informal talks on Sept. 26-28

### Crude - Technical Indicators

RSI 14	51.81
SMA 20	46.21
SMA 50	44.98
SMA 100	46.61
SMA 200	41.28

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Crude prices reversed early losses yesterday as the dollar lost its momentum, but persistent concerns over a global glut despite some signs producers may try to tackle weak oil futures kept a lid on gains.
- Oil prices fell about 1 percent earlier in the day with the dollar holding firm as disappointing U.S. jobs growth data did little to change investors' perception that the Federal Reserve is likely to raise interest rates in coming months.
- Crude for November delivery was up in yesterday's session, recovering as the dollar slipped slightly versus a basket of currencies. Crude settled up \$1.38 on Friday.
- Russian Energy Minister Alexander Novak has said that an oil production freeze would be one of the issues discussed by crude producers later this month in Algeria. Even though there will be discussions in Algeria, there's no strong feeling that anything will be done, so the supply remains high.
- Saudi Arabia's position hasn't changed. They are open to some kind of production freeze if Iran and other major producers join. Iran, OPEC's third largest producer, has said it would only cooperate in talks to freeze output if fellow exporters recognized its right to fully regain market share.
- Even if successful, an OPEC freeze would likely be a short-term positive but a medium-term negative for oil prices. If a short-term freeze were implemented, oil prices would rise on the news, but it would do little to correct the near-term oversupply.
- Iran is ready to raise its output to 4 million barrels per day in a couple of months depending on market demand, a senior official from the National Iranian Oil Company said. Saudi Arabia insisted all producers take part, prompting the collapse of the talks. By some measures, Iran is pumping at its pre-sanctions rate.

### 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 initially fell during the course of the session on Monday, but turn right back around to form a hammer. With this, the market looks as if it is trying to press higher, so having said that I feel that we're going to grind higher, not necessarily shoot higher. I believe that pullbacks should be a buying opportunity, and as a result we will more than likely see the bullish traders enter again and again. I have no interest in selling silver at the moment and believe that the \$18.50 level will offer a floor in this market. Friday's disappointing NFP does not provide a credible narrative for the strong move higher in Silver as a 2016 rate hike remains priced in per Bloomberg's data. One fascinating development is what may happen to Silver if the US Dollar strength isn't sustained. Any setback in the US Dollar, which is inversely correlated to Silver could further post the Precious metal price.

Pivot:	19.54		
Support	19.30	19.00	18.80
Resistance	19.70	19.85	20.00

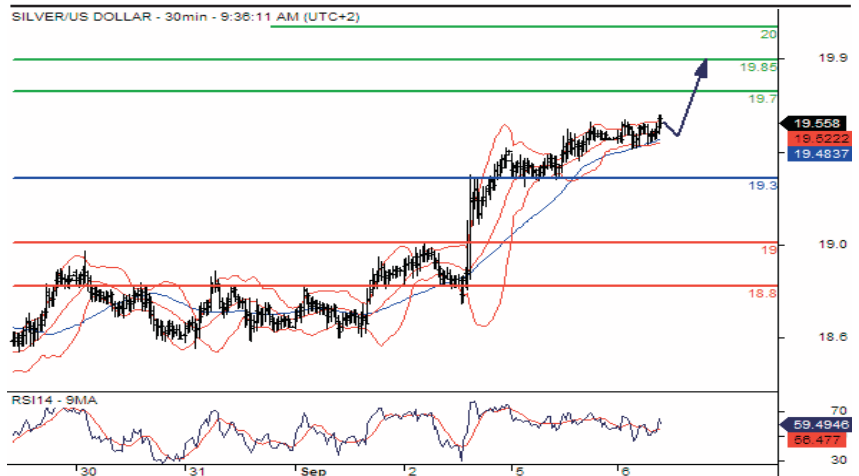
### Highlights

- The dollar was unable to make significant headway yesterday, while silver sentiment improved following resilience on Friday
- A weak U.S Dollar helped silver prices make fresh gains on the day
- After rallying strongly following Friday's US employment data, silver consolidated around \$19.40 per ounce
- The COT data showed renewed increase in long non-commercial silver positions
- Trading volumes dwindled later with US markets closed for the Labor day holiday

### Silver - Technical Indicators

RSI 14	38.90
SMA 20	19.27
SMA 50	19.76
SMA 100	18.42
SMA 200	16.84

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Silver prices extended gains in yesterday's trading session, rising to their highest level in three weeks following a weaker than expected US nonfarm payrolls report on Friday.
- Silver for December settlement rose 22 cents or 1.2% to \$19.59 a troy ounce on the Comex division of the New York Mercantile Exchange. The grey metal was trading right around the daily high.
- Gold's premium over silver declined sharply yesterday and was last seen hovering just above 68, according to Kitco. The gold/silver ratio closed at 68.59 on Friday, a two-week low.
- Silver prices are regaining momentum after a disastrous August wiped more than 8% off its value. Silver has played catch-up with gold for most of the year, as the market recalibrated from oversold levels.
- The US dollar traded slightly lower at the start of the week. The dollar index, which tracks the performance of the greenback against a basket of currencies, slipped 0.1% to 95.76. Trade volumes were light yesterday, as North American markets closed for Labour Day.
- The US economy added 151,000 payrolls in August, while most measures of labour slack were little changed, the Labor Department reported Friday. While the August jobs report showed continued progress in the labour market, it likely fell well short of convincing the Fed to raise interest rates later this month.
- Traders view the likelihood of a September rate hike at around 21%, according to the 30-day Fed Fund futures prices. Traders are still betting on one rate increase before the end of the year.
- The RBA, Bank of Canada and European Central Bank are all scheduled to deliver monetary policy statements this week. In terms of upcoming data releases, Japan, Australia and the Eurozone will report on second quarter GDP.

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	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

Tuesday, September 06, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Sep 06	09:30	AUD Reserve Bank of Australia Rate Decision (SEP 6)	High	1.5%	1.5%	1.5%
Tue Sep 06	10:45	CHF Gross Domestic Product (YoY) (2Q)	High	2.0%	0.8%	1.1%
Tue Sep 06	11:00	EUR German Factory Orders n.s.a. (YoY) (JUL)	Medium	-0.7%	-0.2%	-3.0%
Tue Sep 06	12:15	CHF Consumer Price Index (YoY) (AUG)	Medium	-0.1%	-0.1%	-0.2%
Tue Sep 06	12:30	EUR Markit Germany Construction PMI (AUG)	Medium	51.6		51.6
Tue Sep 06	13:10	EUR Markit Germany Retail PMI (AUG)	Medium	54.1		52.0
Tue Sep 06	18:45	USD Markit US Services PMI (AUG)	Low			50.9
Tue Sep 06	18:45	USD Markit US Composite PMI (AUG)	Low			51.5
Tue Sep 06	19:00	USD ISM Non-Manufacturing/Services Composite (AUG)	High		55.0	55.5

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