

Gold

Technical

Gold prices moved lower in yesterday's trading session, initially attempting to break out following the ECB meeting that yields little in terms of fresh stimulus. The ECB kept rates unchanged and as well as keeping their QE program stable. The market was slightly disappointed, and the dollar gained traction late in the U.S. trading session weighing on the yellow metal. Support on gold is seen near the 10-day moving average at 1,326, while resistance is seen near the August 15 highs at 1,358. Momentum has recently 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. The index moved from negative to positive territory confirming the buy signal.

Pivot:	1,335		
Support	1,328	1,321	1,316
Resistance	1,345	1,352	1,359

Highlights

- Gold extended losses for a third day today as buyers cashed in on this week's rally to near three-week highs
- The metal is up nearly 0.8 percent so far this week
- Gold is holding on to nearly half the sharp gains it made on Tuesday
- Gold is highly sensitive to rising U.S. interest rates, as these increase the opportunity cost of holding non-yielding bullion
- The ECB kept the door open to more stimulus yesterday

Gold - Technical Indicators

RSI 14	59.17
SMA 20	1,331.57
SMA 50	1,335.83
SMA 100	1,307.83
SMA 200	1,258.68

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices slipped lower in today's trading session, but losses were expected to remain limited as a globally weaker U.S. dollar continued to lend support to the precious metal.
- On the Comex division of the New York Mercantile Exchange, gold futures for December delivery were down 0.16% at \$1,339.35, not far from Wednesday's three-week high of \$1,350.50. The December contract ended yesterday's session 0.56% lower at \$1,341.60 an ounce.
- Futures were likely to find support at \$1,323.20, the low from September 6 and resistance at \$1,350.50, Wednesday's high. Gold prices weakened briefly after data yesterday showing that U.S. initial jobless claims in the week ending September 3 decreased by 4,000 to a six-week low of 259,000 from the previous week's total of 263,000. Analysts expected jobless claims to rise by 2,000 to 265,000 last week.
- But sentiment on the greenback remained vulnerable after downbeat U.S. employment data published last Friday crushed expectations for an upcoming rate hike by the Federal Reserve.
- Gold is sensitive to moves in U.S. rates. A gradual path to higher rates is seen as less of a threat to gold prices than a swift series of increases. Markets were also digesting the European Central Bank's most recent policy statement, as the ECB raised its 2016 growth forecast to 1.7% from 1.6%, but slightly lowered its 2017 forecast from 1.7% to 1.6% yesterday.
- At the conclusion of the bank's policy meeting, ECB President Mario Draghi said current monetary policy is effective and the changes to the banks growth forecast are not so substantial as to warrant a decision to act. The comments came after the central bank left its benchmark interest rate at a record-low 0.0%, in line with market expectations.

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 soared following a report from the EIA that showed a larger than expected draw in crude oil inventories. Prices surged and are poised to test resistance near a downward sloping trend line that connects the highs in June to the highs in August and comes in near 48.50. Support is seen near the 20-day moving average at 46.47. Momentum has turned positive as the MACD (moving average convergence divergence) index generate 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. The Department of Energy reported that U.S. commercial crude oil inventories decreased by 14.5 million barrels from the previous week, which was much more than the 900K expected by analysts. Gasoline inventories decreased by 4.2 million barrels last week.

Pivot:	47.13		
Support	46.52	45.75	44.67
Resistance	48.22	48.73	49.35

Highlights

- Oil prices shot upward yesterday, after weekly data showed a sharp and surprising decline in U.S stockpiles
- Oil prices have swung higher this week, rising 10.3% in the past four sessions
- Crude prices are struggling to break out of the \$40-to-\$50 range in which they have been moving in recent weeks
- The decline may largely reflect bad weather that kept cargoes of oil from reaching U.S ports
- U.S crude oil for October delivery settled \$2.12, higher at \$47.62 a barrel

Crude - Technical Indicators

RSI 14	54.64
SMA 20	46.40
SMA 50	44.68
SMA 100	46.59
SMA 200	41.61

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices edged lower today but were set for the first weekly gain in three weeks after jumping 4 percent a day earlier due to a surprisingly large drawdown in U.S. crude stocks.
- Brent and West Texas Intermediate crude futures have gained nearly 6 percent this week and are on course for their biggest weekly gain in three weeks following two consecutive weeks of declines, after major producers Saudi Arabia and Russia agreed on Monday to cooperate on stabilizing the oil market.
- NYMEX crude for October delivery CLc1 was down 50 cents at \$47.12. The International Energy Agency has said it sees demand finally exceeding supply in the third quarter of 2016, meaning record crude stockpiles around the world should also start falling.
- The U.S. government said on Aug. 29 that 11.5 percent of Gulf of Mexico output was shut in as a precautionary measure. The big picture is bearish. The API stats are only a road bump on the way down. But analysts from Morgan Stanley said on Friday they saw risks of supply and demand rebalancing being delayed.
- If OPEC and non-OPEC producers agree to implement measures to limit supply when they meet next month in Algeria, it should help the markets rebalance. Algeria's oil minister said two separate agreements could be required between OPEC and non-OPEC, highlighting the difficulties of clinching such deals.
- The oil options market indicates traders are not betting big on OPEC and rival Russia clinching a meaningful deal this month. Iran's steep oil output growth has stalled in the past three months, new data showed, suggesting Tehran might be struggling to fulfill its plans to raise production to new highs.
- Oil prices shot up yesterday after U.S government data showed the biggest weekly drop in stockpiles since January 1999. Imports fell as ships delayed offloading cargoes in Texas and Louisiana due to Tropical Storm Hermine.

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 market initially tried to rally during the course of the session on Thursday, turning around to form a shooting star. The shooting star suggests that we are going to pull back after what has been a very strong uptrend. The latest move has been a bit overdone, so quite frankly I look at this as an opportunity to start buying silver at a lower price, based upon supportive candles as they appear. With this, I am a buyer, but going to have to be patient. On the other hand, if we break above the \$20 level I would serve buying their as well. With overbought conditions still a factor, further downside is possible over the near term, however, with the potential for a follow through decline to the 50% retracement level at \$19.285, which corresponds to the 20-day moving average. A drop to this level would leave silver futures well-positioned to resume the recent advance.

Pivot:	19.50		
Support	19.30	19.00	18.72
Resistance	19.93	20.13	20.43

Highlights

- Silver prices are down 0.6 percent at \$19.47 an ounce today
- Silver prices are still on a track for a second successive weekly gain as expectations faded for a hike in U.S interest rates
- It's all about the Fed meeting in a couple of weeks what investors are waiting for
- The dollar clawed back some ground it lost against the euro after a European Central Bank statement yesterday
- The ECB kept the door open to more stimulus, gave few hints about its next move

Silver - Technical Indicators

RSI 14	60.46
SMA 20	19.15
SMA 50	19.68
SMA 100	18.58
SMA 200	17.04

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices traded higher in yesterday's session amid renewed downward pressure on the US dollar, as investors digested the European Central Bank's latest policy decision.
- Silver for December delivery advanced 9 cents or 0.5% to \$19.94 a troy ounce. The grey metal established a daily high of \$20.02, which continues to offer resistance. But silver prices fell today following overbought conditions still a factor, further downside is possible over the near term.
- Since the start of September, silver prices have rebounded more than 6%, nearly offsetting last month's sharp decline. Gold prices were little changed through the overnight session. The December contract traded between a range of \$1,345.80 and \$1,353.90. It was last seen trading up \$1.80 or 0.1% at \$1,351.00 a troy ounce.
- The US dollar, which normally trades inversely with precious metals, continued its descent on Thursday. The dollar index plunged 0.4% to 94.57, its lowest in six weeks.
- The European Central Bank (ECB) voted to leave interest rates unchanged on Thursday, as expected by most analysts. The decision to stand pat drove the euro to two-week highs against the dollar, despite the Governing Council indicating that interest rates would remain low for a while longer.
- "The Governing Council continues to expect the key ECB interest rates to remain at present or lower levels for an extended period of time, and well past the horizon of the net asset purchases," the central bank said in its official statement.
- The main refinancing rate was left at zero and the deposit rate was kept at -0.4%. The marginal lending facility also held steady at 0.25%. All three rates were lowered at the March meeting.

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

Friday, September 09, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Sep 09	00:00	USD Consumer Credit (JUL)	Medium	\$17.713b	\$16.000b	\$12.320b
Fri Sep 09	06:30	CNY Consumer Price Index (YoY) (AUG)	High	1.3%	1.7%	1.8%
Fri Sep 09	06:30	AUD Home Loans (JUL)	Medium	-4.2%	-1.5%	1.7%
Fri Sep 09	09:30	JPY Tertiary Industry Index (MoM) (JUL)	Medium	0.3%	0.4%	0.7%
Fri Sep 09	10:45	CHF Unemployment Rate (AUG)	Medium	3.2%	3.2%	3.1%
Fri Sep 09	11:00	EUR German Trade Balance (euros) (JUL)	Medium	19.5b		24.7b
Fri Sep 09	13:30	GBP Total Trade Balance (Pounds) (JUL)	Medium	-£4502	-£4200	-£5573
Fri Sep 09	17:30	CAD Unemployment Rate (AUG)	High		7.0%	6.9%
Fri Sep 09	22:00	USD Baker Hughes U.S. Rig Count (SEP 9)	Medium			

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

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