

Gold

Technical

Gold prices moved lower then higher as the dollar whipsawed, in the aftermath of the Fed announcement, which left rates unchanged, as largely expected. The statement said the case for a rate hike has strengthened, with one hike seem by year end. The FOMC forecast revisions released in conjunction with the FOMC statement revealed the expected small downward tweaks in the official 2016 estimates for GDP and PCE chain prices Gold sliced through former resistance now support near the 10-day moving average at 1,322. Resistance is seen near the September highs at 1,350. Momentum is neutral as the MACD (moving average convergence divergence) index prints in the red with a flat trajectory which points to consolidation. The RSI moved higher with price action reflecting accelerating positive momentum, which points to higher prices for the yellow metal.

Pivot:	1,332		
Support	1,325	1,319	1,311
Resistance	1,339	1,343	1,348

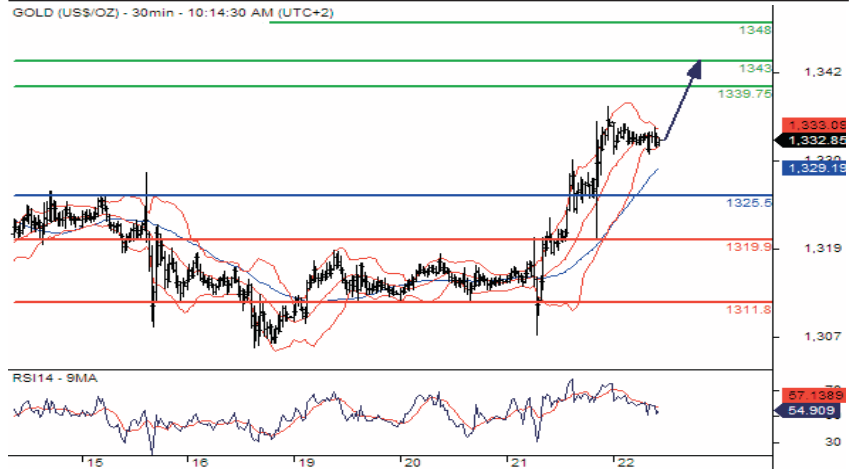
Highlights

- Gold prices hit their highest level in 12 days after the Fed held interest rates
- Spot gold prices hit a two-week high of \$1,336.8 an ounce after the Fed said that it would keep rates steady
- Higher interest rates will dampen gold prices as the gold doesn't offer a yield
- A rise in interest rates will also boost the dollar, making it more expensive for investors outside the U.S
- Fed Chairwoman Janet Yellen stated that the fed remains data dependent

Gold - Technical Indicators

RSI 14	54.49
SMA 20	1,324.47
SMA 50	1,333.83
SMA 100	1,315.95
SMA 200	1,272.30

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices fell today as investors booked profits after a more than 1.5 percent rise in the previous session, opting for riskier assets like equities as the U.S. Federal Reserve stood pat on interest rates.
- The U.S. central bank, however, strongly signalled it could still tighten monetary policy by year-end as the labour market improved further. Spot gold was down 0.3 percent at \$1,332.70 an ounce, while U.S. gold futures rose 0.4 percent to \$1,337.30 an ounce.
- People are expecting that the Fed is going to raise rates for sure in December. So, they have started to take profits. The first phase of a gold run, which is largely driven by the Fed's inaction to raise rates, is over. The market is now looking three months ahead and taking positions accordingly.
- Still, spot gold may retest a key resistance at \$1,338 per ounce, as suggested by its wave pattern and Fibonacci projection analysis, according to Reuters analyst Wang Tao.
- The rate environment looks less accommodative even it remains on a more gradual slope, meaning that oversized rallies in the yellow metal may not have much room to run. The ongoing strength in equities could also hurt gold's prospects.
- Asian shares surged today, taking their cue from Wall Street, slugging the dollar and lifting most commodity prices. Indications out of the Federal Reserve that a 2016 rate increase is still very much a live possibility may restrict gains to gold above \$1,340,
- Initial support for the metal sits toward \$1,330, while resistance toward \$1,340 is keeping a lid on any moves higher. Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.60 percent to 944.39 tonnes on Wednesday.

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 recapturing resistance that was former support near the 10-day moving average at 44.97. This came following a report from the Department of Energy that showed a larger than expected draw in crude oil inventories that was confirmed by an early report from the API. Resistance is now seen near the September highs near 47.60. Momentum is neutral with the MACD index printing in the red with a flat trajectory which reflects consolidation. The Department of Energy reported that U.S. commercial crude oil inventories decreased by 6.2 million barrels from the previous week. Expectations were for a 4-million-barrel increase in crude oil inventories. U.S. crude oil inventories are at historically high levels for this time of year. Gasoline inventories decreased by 3.2 million barrels last week, but are still at the upper limit of the average range.

Pivot:	45.70		
Support	44.73	44.25	43.75
Resistance	46.37	47.00	47.70

Highlights

- Oil extended gains after weekly government data showed U.S inventories dropped to the lowest since February
- Crude oil rose as much as 1.2 percent yesterday after advancing 2.9 percent on Wednesday
- Inventories fell by 6.2 million barrels last week, according to the EIA
- Oil has fluctuated on speculation the OPEC and Russia will agree on ways to stabilize the market when they meet Sept. 28
- The biggest gasoline pipeline in the U.S has resumed normal operations

Crude - Technical Indicators

RSI 14	53.84
SMA 20	44.86
SMA 50	44.61
SMA 100	46.16
SMA 200	42.47

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices rose today, lifted by a weaker dollar and extending gains from the previous session when a surprise third consecutive weekly U.S. crude inventory draw tightened supply.
- U.S West Texas Intermediate (WTI) crude oil futures CLc1 were trading at \$45.76 per barrel, up 42 cents, or 0.9 percent, from their previous close. The contract gained as much as 3 percent the day before.
- The oil comeback continued yesterday, helped by a number of tailwinds that included the U.S dollar which is being sold against everything, including oil as well as a another huge fall in EIA crude inventories.
- The U.S. Energy Information Administration (EIA) on Wednesday reported a 6.2 million-barrel drop in crude oil inventories last week to 504.6 million barrels. Forecasters in a Reuters poll had expected a 3.4 million-barrel build.
- The Dollar stumbled to a near 4-week low against the yen today, after the U.S. Federal Reserve kept monetary policy steady and projected a less aggressive path for interest rates hikes in coming years.
- A weak greenback makes dollar-traded fuel imports cheaper for countries using other currencies, potentially spurring demand. Additionally, Iraq's OPEC governor Falah Alamri said on Thursday that oil market circumstances were now more favorable for producers to reach a deal to support prices when they meet next week in Algeria.
- Oil prices are expected to remain range-bound at relatively low levels with global output near record highs and surpassing consumption, adding that producer talks in Algeria next week were likely to change little. "Investors and companies should prepare for an environment of rangebound oil prices," Goldman Sachs said in a note to investors published late in yesterday's trading session.

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 fell slightly during the course of the day on Wednesday, but found enough support at the \$19 level to turn things around and form a positive candle. With this, I think that it's only a matter of time before we continue to go higher. On top of the positive candle, we ended up closing towards the very top of it so it seems like buyers are continuing to get involved in this market. With that, I am a buyer on pullbacks and show signs of support as I think we will eventually reach towards the \$20.50 handle. Towards the end of August silver found support (18.37) at the lower end of the long-term support zone around the Jan 2015 peak. So far, so good as the metal continues to hold above that level, already putting in a higher low from there with last week's low at 18.73. A move below the August low at 18.37 would be a bit of cause for concern for the longs.

Pivot:	19.76		
Support	19.49	19.32	19.09
Resistance	20.00	20.15	20.25

Highlights

- The U.S Fed didn't make any sort of surprise announcement yesterday
- About an hour after the Fed said it would leave interest rates unchanged the precious metal prices gained sharply
- The election in November will supply the markets with additional uncertainty
- The election uncertainty should underpin prices for gold and silver
- The sixth straight hold extends U.S central bankers' run of getting cold feet amid risks from abroad

Silver - Technical Indicators

RSI 14	60.18
SMA 20	19.27
SMA 50	19.48
SMA 100	18.88
SMA 200	17.35

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver gained topping at \$19.80 yesterday, after the Federal Reserve announced there would be no rate hike in September. The Federal Reserve, chaired by Janet Yellen, said it is maintaining the current target rate for the federal funds rate at 1/4 to 1/2 percent.
- In a news release the Fed said factors were pushing it to raise the rate, such as solid job gains and increased household spending. However, inflation is running below the committee's 2% percent longer-run objective and business fixed investment remains soft.
- The Committee judges that the case for an increase in the federal funds rate has strengthened but decided, for the time being, to wait for further evidence of continued progress toward its objectives.
- The stance of monetary policy remains accommodative, thereby supporting further improvement in labor market conditions and a return to 2 percent inflation. Fed Chairwoman Janet Yellen has done her best to try and convince investors that conditions will improve enough by December to support a rate increase.
- Silver prices jumped late yesterday after the Federal Reserve said that it would wait for more evidence of progress toward its goals before raising U.S. interest rates.
- The central bank sent a mixed message to the markets and investors continue to question if the Federal Open Market Committee will be able to move by year-end.
- Precious metals tend to draw buying in a low interest-rate climate as rising rates tend to make nonyielding gold less attractive to investors. Higher rates may also boost the value of the dollar which usually moves in the opposite direction of the precious metals.

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, September 22, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Sep 22	02:00	NZD Reserve Bank of New Zealand Rate Decision (SEP 22)	High		2.00%	2.00%
Thu Sep 22	13:00	EUR ECB Publishes Economic Bulletin	Medium			
Thu Sep 22	17:30	USD Chicago Fed Nat Activity Index (AUG)	Low		0.13	0.27
Thu Sep 22	17:30	USD Initial Jobless Claims (SEP 17)	Medium		261k	260k
Thu Sep 22	17:30	USD Continuing Claims (SEP 10)	Medium		2143k	2143k
Thu Sep 22	18:00	ECB President Draghi Speaks	High			
Thu Sep 22	18:00	USD Existing Home Sales (MoM) (AUG)	Medium		1.1%	-3.2%
Thu Sep 22	19:00	USD House Price Index (MoM) (JUL)	Medium		0.3%	0.2%
Thu Sep 22	19:00	USD Leading Indicators (AUG)	Medium		0.0%	0.4%

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