

Gold

Technical

Gold prices edged higher on Friday climbing for the 3rd consecutive trading session, following the inaction by the Federal Reserve on Wednesday, which eased yields along with the greenback. A weaker dollar is generally beneficial for the yellow metal. Resistance is seen near a downward sloping trend line that connects the highs in August to the highs in September and comes in near 1,345. Momentum on gold prices has 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. The index is printing in the black with an upward sloping trajectory which points to higher prices for gold.

Pivot:	1,335		
Support	1,330	1,325	1,320
Resistance	1,340	1,343	1,348

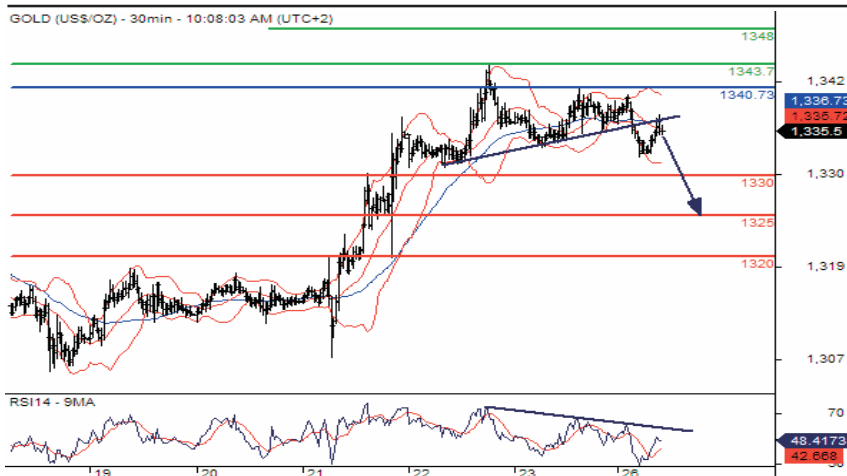
Highlights

- Gold retreated after its biggest weekly advance in two months, as the dollar erased losses, dimming the metal's appeal
- Bullion for immediate delivery fell 0.2 percent to \$1,334.70 an ounce
- The Dollar Spot Index pared an intraday decline of 0.2 percent
- Gold is still headed for a third quarterly gain in what would be the longest rally since 2011, when prices rose to a record
- Holdings were little changed at 2,031 metric tons on Friday

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 edged lower today in Asian session as the dollar firmed, though the market is focused on the outcome of the U.S presidential debate later in the day, that could see investors buying more of the metal as a hedge against financial uncertainty.
- Spot gold slipped 0.1 percent to \$1,336 an ounce. If Trump is perceived to have an improved probability of winning the Presidential race, that is likely to be supportive of the gold prices, so we could see gold prices rallying in the short term amid higher volatility.
- The first U.S presidential debate between Republican Donald Trump and Democrat Hillary Clinton will take place at on Tuesday, with investors looking for indications of who could win the race to lead the world's biggest economy. With Trump closing the gap with Clinton, the uncertainty is likely to keep gold underpinned
- The dollar index, which measures the greenback against six major currencies, was up 0.05 percent at 95.521. Economists expect gold to continue to hold its recent \$1,330 - \$1,340 range in the lead up to the presidential debate
- Boston Federal Reserve President Eric Rosengren said on Friday that he believed interest rates should be raised gradually now and warned that a fall in the unemployment rate below its sustainable level could derail economic recovery in the United States.
- The split at the Federal Reserve over when to next raise interest rates appears to hinge largely on disagreements over the labour market outlook, comments from policymakers on Friday suggest.
- Gold is highly sensitive to rising rates, which lift the opportunity cost of holding non-yielding assets such as bullion, while boosting the dollar, in which it is priced.

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 rallied to 46.55, a fresh two-week high, from under \$45.50 following reports that Saudi Arabia would cut production if Iran froze its output. This was quickly reversed with prices tumbling 3.89% when Saudi Arabia denied the reports. Prices sliced through support which is now seen as resistance near the 20-day moving average at 45.60. Additional resistance is seen near a downward sloping trend line at 45.60.

Support is seen near an upward sloping trend line that connects the lows in August to the lows in September and comes in near 43.50. Momentum has turned positive as the MACD index recently 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:	44.53		
Support	43.98	43.45	43.05
Resistance	45.42	45.99	46.56

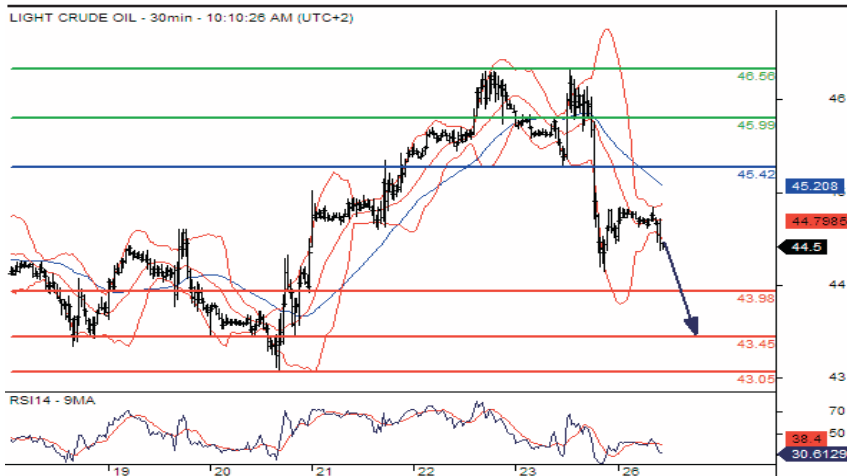
Highlights

- Crude-oil futures struggled to hold onto gains today in Asian session
- Bargain-hunting dried up after a big pullback last week as investors questioned whether OPEC will make progress on a deal
- Crude futures for delivery in November traded at \$44.57 a barrel, up \$0.08, or 0.2%
- Oil prices sank 4% on Friday after Saudi Arabia said it didn't expect the OPEC to clinch a deal on Wednesday
- The number of rigs drilling for oil in the U.S rose by 2 to 418 last week

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 held steady today, as the world's largest producers gathered in Algeria to discuss ways to support the market, although scepticism about any deal being reached has prompted money managers to cut their bullish bets to a one-month low.
- Price fell by nearly 5 percent last week, dented by signs Saudi Arabia and Iran were making little progress in achieving a preliminary agreement to freeze production.
- Members of the Organization of the Petroleum Exporting Countries are meeting informally on the sidelines of the International Energy Forum in Algeria from Sept. 26-28, where they will discuss a possible deal to limit output. "We will not come out of the meeting empty-handed," Algerian energy minister Nouredine Bouterfa said in Algiers on Sunday.
- However, the oil market is still weak and will remain volatile in the near future. U.S crude prices CLc1 were up 7 cents at \$44.55 a barrel. Unplanned outages across OPEC countries still amount to around 2 million barrels per day which will make it difficult for members that are pumping close to capacity to make way for the potential return of that shuttered output.
- Data from the U.S. Commodity Futures Trading Commission on Friday showed hedge fund managers cut their net long position in crude oil to its lowest in a month, having made the largest weekly addition to their short positions on record.
- Sources told Reuters on Friday that Saudi Arabia did not expect a decision to be made in Algeria, while Saudi Arabia had offered to reduce production if Iran caps its own output this year, an offer to which Tehran had yet to respond. The fact countries like Algeria are still talking about a deal means it's still on the table regardless of others' views about what might be happening.

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 rally during the course of the week, testing the \$20 level. It looks as if we are trying to break out to the upside, and with the Federal Reserve refusing to raise the interest-rate, it looks as if the market will more than likely continue to go higher, and the pullback should offer buying opportunities due to the lower interest-rate environment. Given enough time, I think that this is a nice longer-term investment opportunity. Because of this, I have no interest in selling, and believe that the \$18 level below is essentially the "floor." However, just because a market is up against a level doesn't mean we fade it either, unless there are indications the level(s) in question are rejected and momentum turns back the other way. A decline from here would help work towards a more ideal scenario from the standpoint of seeing volatility contract further before expanding.

Pivot:	19.52		
Support	19.32	19.05	18.83
Resistance	19.92	20.06	20.22

Highlights

- Silver futures for December delivery declined 28.9 cents, or 1.44%, on Friday to settle at \$19.81 a troy ounce
- On the week, silver prices jumped 96.5 cents, or 5.03%
- Market players will turn their attention to fresh comments from Fed Chair Janet Yellen over the timing of the next U.S rate hike
- Investors will be focusing on a pair of speeches from ECB President Mario Draghi
- Another big event for markets could be the first U.S presidential debate on Monday

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



Fundamentals

- The price of silver pulled back Friday, but was on track for a large weekly gain as the Federal Reserve provided a strong trading catalyst for precious metals. December silver futures fell 17 cents, or 0.8%, to \$19.93 a troy ounce Friday on the Comex division of the NYMEX.
- Silver for December settlement rose 19 cents, or 1%, to a fresh two-week high of \$19.96 a troy ounce. The grey metal was trading at the upper end of its daily range of 19.79 and \$19.96. As of yesterday, grey metal is tracking for a weekly gain of nearly 6%.
- Despite the loss, silver ended the week which a gain of 7%. The grey metal had declined nearly 4% the previous week. The US dollar was unchanged against a basket of currencies Friday, consolidating after a sharp two-day drop. Precious metals are priced in the US dollar, making them highly sensitive to fluctuations in the greenback.
- In economic data, Eurozone economic growth slowed to a 20-month low in September, pointing to another quarter of subdued expansion. The Markit Eurozone flash composite PMI slipped to 52.6 in September from 52.9 the previous month. Any reading above 50 signals expansion in economic activity.
- According to Markit, the latest PMI figures put the Eurozone economy on pace to grow just 0.3% in the third quarter. The latest COT non-commercial silver positioning data will be watched closely after a drop in long positions seen last week. Dollar and oil prices will continue to have an important impact this week.
- After strong gains following Wednesday's Federal Reserve policy statement, bond prices maintained a firm tone with low yields continuing to provide underlying support to precious metals prices. Silver was also unable to break above September highs. At present, the bias remain bullish in silver to the upside.

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, September 26, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Sep 26	02:45	New Zealand Trade Balance (New Zealand dollars) (AUG)	Medium	-1265m	-735m	-433m
Mon Sep 26	10:00	Japan Leading Index (JUL)	Low	100		100
Mon Sep 26	10:30	BOJ Kuroda makes a speech in Osaka	Medium			
Mon Sep 26	13:00	German IFO - Business Climate (SEP)	Medium	109.5	106.3	106.2
Mon Sep 26	13:00	German IFO - Current Assessment (SEP)	Medium	114.7	112.9	112.8
Mon Sep 26	13:00	German IFO - Expectations (SEP)	Medium	104.5	100.1	100.1
Mon Sep 26	13:30	U.K BBA Loans for House Purchase (AUG)	Medium	36997	37100	37672
Mon Sep 26	19:00	ECB's Draghi Speaks in EU Parliament	Medium			
Mon Sep 26	19:00	U.S New Home Sales (MoM) (AUG)	Medium		-8.3%	12.4%

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