

Gold

Technical

August Comex Gold futures are trading slightly higher while continuing to consolidate inside July 14th's wide range for the third straight day. The chart pattern suggests investor indecision and impending volatility. The consolidation is also taking place inside a triangle chart pattern that also indicates impending volatility. The main trend is up according to the daily swing chart. However, momentum has been to the downside since July 6. The main range is \$1252.80 to \$1377.50. Its retracement zone at \$1315.20 to \$1300.40 remains the primary downside target although last week's low at \$1320.40 came close to completing a 50% retracement of the range. The short-term range is \$1377.50 to \$1320.40. Its retracement zone at \$1349.00 to \$1355.70 is the primary upside target. If the trend is getting ready to turn lower then sellers will come in strong on a test of \$1349.00 to \$1355.70.

Pivot:	1,329		
Support	1,312	1,305	1,295
Resistance	1,337	1,342	1,350

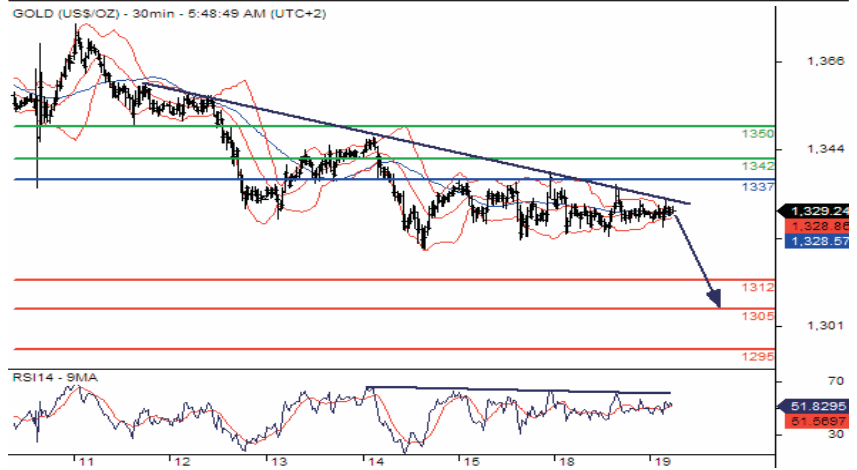
Highlights

- Gold futures settled narrowly higher yesterday, taking back some of last week's decline
- Investors showing caution mood after a failed weekend coup in Turkey
- Prices suffered a loss of 2.3% last week, first weekly loss in nearly two months
- August gold tacked on \$1.90, or 0.1%, to settle at \$1,329.30 an ounce after touching an earlier low at \$1,323.50
- The U.S Dollar index wavered between small losses and gains yesterday versus other currency rivals

Gold - Technical Indicators

RSI 14	66.40
SMA 20	1,280.60
SMA 50	1,265.06
SMA 100	1,253.98
SMA 200	1,182.28

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold was mostly unchanged today in Asian session, holding on to its losses from the previous session as a pickup in investor appetite for risky assets capped demand for the precious metal.
- Gold shed almost a percent yesterday, when stock markets in the United States logged record highs amid hopes that a decline in U.S. corporate earnings was bottoming out dragging on bullion's safe-haven appeal.
- Spot gold was up 0.1 percent at \$1,330 an ounce, while U.S. gold was 0.1 percent higher at \$1,330.80 an ounce. It's that allure of risk-on environment that we are in which is weighing on the gold prices. What Monday was a bit of a reaction to Friday's solid U.S. retail numbers.
- People have already piled in tremendously, be it the futures or the ETFs. So for me it's a consolidation that is happening in gold right now. Gold has risen almost 25 percent this year, with recent gains being driven by an uncertainty stemming from Britain's decision to leave the European Union and a Turkey coup bid.
- With Turkey no longer dominating events, investors are likely to revert to the U.S. dollar, bond yields, and risk sentiment. Longer term, there are plenty of uncertainties to support gold prices but without an immediate catalyst, gold prices may drift to \$1,300.
- However, holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, firmed 0.25 percent to 965.22 tonnes on Monday. Investors are now waiting for the outcome of the European Central Bank meeting on Thursday for further cues.
- There is talk of some further accommodation being doled out, in which case we could see gold moving a little higher from here but If the ECB holds back, the selling could resume, with a test at \$1,308.

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

NYMEX crude opened at session highs in tandem with the gains seen with Brent crude, as the coup in Turkey raised fears of instability in the region, and raised questions on supply routes. The information that the coup failed has allowed oil prices to fall back. Stronger China and U.S. data last week should provide some support to oil prices in the near term, though as Baker-Hughes reported a 6-rig increase in functioning U.S. wells on Friday, focus could return to the supply front, where some speculate U.S. production could be on the rise in the coming weeks. Resistance on WTI crude oil is seen near the 20-day moving average at 47.30, while support is seen near an upward sloping trend line that comes in near 44.90. Momentum remains negative on WTI with the MACD index printing in the red with a downward sloping trajectory which points to lower prices for crude oil.

Pivot:	45.00		
Support	44.55	43.85	43.00
Resistance	45.75	46.30	46.90

Highlights

- Oil prices fell yesterday as rising stockpiles of crude and refined fuel intensified fears that another major glut is building
- A rapid rise of non-petroleum products demand is boosting total product demand, but this is unhelpful for crude oil
- U.S. crude futures settled down 1.6 percent, at \$45.24 a barrel
- Turkey's attempted coup barely affected the market
- Oil prices are up nearly 75 percent since hitting 12-year lows of around \$27

Crude - Technical Indicators

RSI 14	45.96
SMA 20	48.86
SMA 50	47.93
SMA 100	43.61
SMA 200	40.09

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices eased today Asian as concerns over a crude and refined fuel glut outweighed an expected cut in U.S. shale production and a probable further draw in U.S. crude inventories.
- Crude prices fell more than 1 percent in the previous session after worries about potential supply disruptions stemming from an attempted coup in Turkey proved unfounded.
- Prices are a bit softer in the Asian trading period - traders and investors are torn which way prices are going to break. It's a knife edge between optimism and pessimism. The market is waiting for U.S. crude stocks data today and tomorrow to help give direction to prices.
- U.S. crude, known as West Texas Intermediate (WTI), fell 11 cents to \$45.13 a barrel after settling 71 cents, or about 1.6 percent, lower in the previous session.
- Fuel inventories in the United States, Europe and Asia are brimming despite this being the peak summer driving season, leading traders to store diesel on tankers at sea amid wilting demand growth. With landed oil product storage nearly full as well, there is little support for any sustained recovery in crude prices even as output tapers.
- U.S. shale oil production is expected to fall in August for a tenth straight month, by 99,000 barrels per day (bpd) to 4.55 million bpd, according to a U.S. drilling productivity report yesterday.
- Further weighing on supply, U.S. commercial crude oil inventories likely fell by 2.2 million barrels last week, a Reuters poll of analysts showed yesterday. That would be the ninth consecutive week stocks have fallen. The poll was taken ahead of weekly oil stocks reports due today from the API and on Wednesday from the U.S Department of Energy's Energy Information Administration (EIA).

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 fell a bit during the day on Monday, but did find enough support above the \$19.50 level to turn things around and form a bit of a hammer. The hammer of course is a very bullish sign and I believe that it simply solidifies the idea of the \$19.50 level being the bottom of the recent consolidation. I think that eventually we do go higher, but we may need to hang about this area for a while in order to build up enough momentum as we have seen so much upward pressure recently. The only pattern which has remained a constant is the downward sloping channel visible on the intra-day time-frames (1 to 4-hr chart). The gradual decline of the channel, given the prevailing upward trend prior to this period of daily chop, suggests the channel will resolve itself to the upside. But, until it breaks above the upper parallel we cannot make that assumption just yet.

Pivot:	19.87		
Support	19.56	19.43	19.19
Resistance	20.20	20.52	20.68

Highlights

- Silver fell 0.5 percent to \$19.91 an ounce, down for a fourth straight session
- The U.S Dollar rose 0.1 percent against a basket of six currencies yesterday
- Interest rate futures are currently pricing in a 43% chance of a rate hike by December
- People are expecting that central banks have to include more stimulus packages in their monetary policies
- The most significant areas of support and resistance within the range is 19.45/21 and 20.66/21.11, respectively

Silver - Technical Indicators

RSI 14	65.08
SMA 20	17.49
SMA 50	17.00
SMA 100	16.39
SMA 200	15.45

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver continues the sideways chop, and from a trading standpoint with this being the case there has been little price action to take a bite out of. It can make for frustrating trading, so the best thing to do is to make what is often times the best trade – no trade.
- Silver prices have already appreciated over 40% in 2016, with the metal climbing on renewed safe haven demand. There is the argument that there is always the need for investors to have some safe haven investments in their portfolio, and silver is an attractive addition due to its affordability when compared to the other typical safe haven assets, which include gold.
- So far in 2016, there have been many reasons to purchase safe haven investments, and combined with the fact that the Fed has delayed its interest rate hikes, silver prices have accelerated since June. This of course also coincided with Brexit, which also boosted the demand for safe haven investments.
- To predict how silver prices will perform over the next few months, the main factors to consider are safe haven demand and US interest rates. In terms of safe haven demand, a big portion of this is unknown. Investors do know that Brexit will involve a prolonged period of uncertainty, but that could already be priced into the metal.
- At the beginning of the year, the Fed said that it would likely increase interest rates twice this year, so far only one rate hike has occurred, and the Fed has continued to hold off on another interest rate hike due to global macroeconomic concerns.
- Right now, expectations are that the Fed will increase interest rates in either September or December. If this is true, we could expect a correction in silver prices as the rate hike would make silver have to compete with yield-bearing assets for investor's interest.

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

Tuesday, July 19, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Jul 19	01:00	USD Net Long-term TIC Flows (MAY)	Medium	\$41.1b		-\$67.4b
Tue Jul 19	06:30	AUD RBA July Meeting Minutes	Medium			
Tue Jul 19	13:30	GBP Consumer Price Index (YoY) (JUN)	High	0.5%	0.4%	0.3%
Tue Jul 19	14:00	EUR German ZEW Survey (Current Situation) (JUL)	Medium	49.8	51.8	54.5
Tue Jul 19	14:00	EUR German ZEW Survey (Economic Sentiment) (JUL)	Medium	-6.8	9.0	19.2
Tue Jul 19	14:00	EUR Euro-Zone ZEW Survey (Economic Sentiment) (JUL)	Medium	-14.7		20.2
Tue Jul 19	17:00	NZD Dairy Auction Whole Milk Powder MT (JUL 19)	High			\$2,062
Tue Jul 19	17:30	USD Housing Starts (MoM) (JUN)	Medium		0.1%	-0.3%
Tue Jul 19	17:30	USD Building Permits (MoM) (JUN)	Low		1.2%	0.5%

Source: Forex Factory, DailyFX

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