

Gold

Technical

Gold prices moved higher as the Fed kept rates unchanged and focused on the lack of inflation as a reason for rates to remain low for longer. There statement appears to have opened the door for September but the market seems to have pushed back potential tighten until December. Prices sliced through the 10-day moving average near 1,327, and will likely target resistance near the July highs at 1,370. The RSI moved higher with price action reflecting accelerating positive momentum. FOMC held rates unchanged and opted for a slightly more upbeat outlook. The Fed said "Near-term risks to the economic outlook have diminished." Economic activity was expanding at a "moderate rate," said the statement, and added that June job gains were strong. On balance, payrolls and other labor market data point to some increase in labor utilization.

Pivot:	1,342		
Support	1,329	1,320	1,312
Resistance	1,347	1,353	1,357

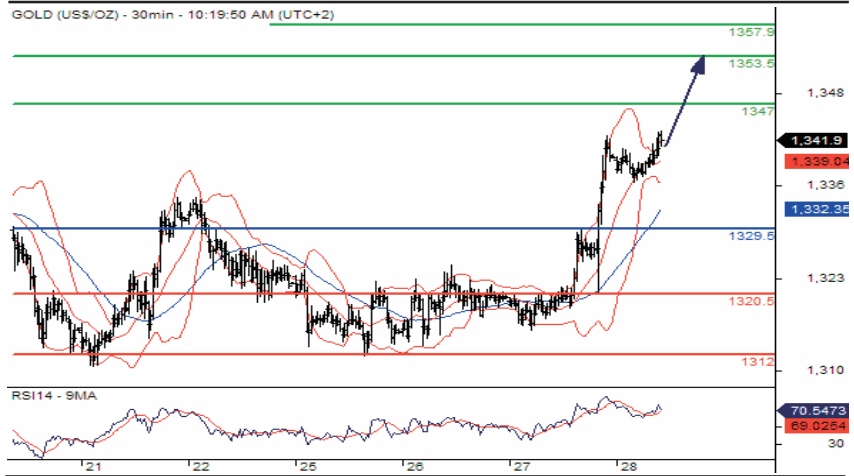
Highlights

- Gold prices traded higher after the Fed left interest rates unchanged
- Fed hinted at the possibility of an increase in the coming months
- Gold for December delivery was recently up 0.9% at \$1,339.50 a troy ounce
- Prices settled up 0.5% at \$1,334.50, but traded as low as \$1,323 after the Fed statement was released
- Following its July policy meeting, the central bank said near-term economic risks have diminished

Gold - Technical Indicators

RSI 14	48.26
SMA 20	1,324.02
SMA 50	1,339.74
SMA 100	1,302.32
SMA 200	1,210.66

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold rose today after the Federal Reserve stopped short at this week's policy meeting of indicating that a further increase in U.S. interest rates is on the cards for later this year.
- Uncertainty over the path of interest rates has held gold in check since it rallied to more than two-year highs in the wake of Britain's shock vote last month to leave the European Union. Relief that the Fed was not more explicit about rates pulled it back to a two-week high yesterday.
- Spot gold was 0.1 percent higher at \$1,341.40 an ounce, having ended Wednesday up 1.5 percent in the wake of the Fed statement. U.S. gold futures for August delivery were up 1.1 percent at \$1,340.70.
- The gold price reacted quite positively to the news that there was no rate hike, and that a September rate hike is not certain, but this is probably short-term volatility.
- The Federal Reserve did say near-term risks to the U.S. economic outlook had diminished, potentially leading to a resumption of monetary policy tightening this year. However, it gave no indication whether it would raise rates at its next meeting in September.
- Gold is sensitive to rising U.S. rates, which would lift the opportunity cost of holding non-yielding bullion, while boosting the dollar, in which it is priced. Holdings of the world's largest gold-backed exchange-traded fund, SPDR Gold Shares, have seen an outflow of nearly 28 tonnes in the last three weeks.
- Rate increases typically blunt gold's appeal by boosting the dollar. They also entice investors away from havens such as gold, which doesn't bear interest, and into instruments that offer better returns. Many analysts remain bullish on gold for the year, as they look to other potential catalysts such as economic uncertainty and looser monetary policy from central banks around the world.

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 slid below 42 per barrel, following an unexpected build in both crude oil and gasoline inventories. Prices are poised to test support near the 200-day moving average near 40.70, while resistance is seen near the 10-day moving average at 44.48. Brent prices felling in tandem with WTI. The RSI (relative strength index) broke through support reflecting accelerating negative momentum while printing a reading of 34, which is on the lower end of the neutral range. Crude oil inventories increased by 1.7 million barrels from the previous week. Analysts' had expected inventories to drop by nearly 2 million barrels. At 521.1 million barrels, U.S. crude oil inventories are at historically high levels for this time of year. Gasoline inventories increased by 0.5 million barrels last week, while analysts' expected gasoline inventories to decline by 1 million barrels.

Pivot:	42.01		
Support	41.00	40.60	40.00
Resistance	43.40	44.40	44.95

Highlights

- Oil prices fell to three-month lows as oil keeps building up in storage
- Oversupply of gasoline and other fuels is a sign that a two-year glut isn't receding as quickly as many had hoped
- Crude oil stocks rose by nearly 1.7 million barrels last week, the U.S. Energy Information Administration said yesterday
- U.S crude sank for the fifth straight session, settling down to \$41.92 a barrel
- Oversupply concerns have sent oil into retreat throughout July

Crude - Technical Indicators

RSI 14	33.37
SMA 20	45.27
SMA 50	47.43
SMA 100	45.72
SMA 200	40.33

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell to three-month lows in today's Asian session as producers continued to pump more than needed, filling inventories, and economic growth prospects darkened.
- Brent crude oil was down 50 cents at \$42.97 a barrel, after touching \$42.88, its lowest since April 20. U.S. light crude was down 20 cents at \$41.72. U.S commercial stocks are a good reflection of the oversupplied nature of the global oil market.
- U.S government data yesterday revealed a surprise rise in crude and gasoline inventories. The build added to an already huge global refined product glut just as slowing economic growth dents the demand outlook. The storage situation is on steroids. Gasoline futures recently fell 2.4 cents, or 1.8%, to \$1.321 a gallon.
- Oil markets have been dogged by oversupply for the last two years and fell by as much as 70 percent between 2014 and early 2016, when Brent hit the lowest in more than a decade at around \$27 per barrel.
- Markets have since recovered some ground but oil remains very weak and low refining margins are hurting energy companies. Energy major Royal Dutch Shell reported a more than 70 percent fall in quarterly profit yesterday, well below analysts' estimates, as weak oil and gas prices further ate into revenue.
- Shell's net income came in at \$1 billion in the second quarter, compared with expectations of \$2.2 billion and \$3.8 billion achieved in the same period last year.
- Oversupply concerns have sent oil into retreat throughout July, reversing a five-month rally that had pushed oil above \$50 a barrel. U.S. refiners have overwhelmed even record demand, and saturated international markets have supplies backing up in the U.S.

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 got a boost during the course of the session here on Wednesday, as we continue to see quite a bit of bullish pressure. The \$19.50 level below offered enough support to turn things back around and continue to grind away between the \$19.50 level on the bottom, and the 2 \$0.50 level on the top. With this, it's likely that we will continue to see buyers in this market as we continue the uptrend. The consolidation could simply be a small attempt at trying to build up momentum as we often will see consolidation that turns into continuation. Yesterday, the top-side trend-line broke in early US hours, causing the initial spike higher, but later after the FOMC rate decision and policy statement was released we saw a quick jab lower followed by another explosive drive higher. Silver could still be undergoing a larger consolidation phase.

Pivot:	20.43		
Support	20.05	19.75	19.50
Resistance	20.70	20.82	21.00

Highlights

- After the FOMC rate decision and policy statement was released silver quickly fell lower followed by another explosive drive higher
- FOMC statement showed no change in U.S interest rates
- The FOMC statement said U.S interest rates will rise only slowly over time but did say the U.S economy is on the upswing
- U.S Durables orders were down 4.0% in June for the largest decline in two years
- Attention now turns to the Bank of Japan meeting Thursday and Friday

Silver - Technical Indicators

RSI 14	54.10
SMA 20	19.99
SMA 50	18.40
SMA 100	17.49
SMA 200	16.05

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver prices gained yesterday, after the Federal Reserve kept its interest rate unchanged yesterday. Silver for September delivery held its ground at \$20.40 a troy ounce on the Comex division of the New York Mercantile Exchange. Futures prices traded within a range of \$19.58-\$20.47 through the overnight session.
- The grey metal is higher this week after declining more than 2% over the previous five days. The US dollar, which normally trades inversely with precious metals, edged lower after back-to-back declines.
- In economic data, the United Kingdom's gross domestic product (GDP) expanded faster than expected in the second quarter, raising optimism that economic fundamentals remained strong despite Brexit fears.
- The UK's GDP expanded 0.6% from the previous quarter and 2.2% annually, the Office for National Statistics said in a report on Wednesday. Both readings were 0.2 percentage points above forecasts.
- The United States and Eurozone will also release latest GDP figures on Friday. The Eurozone economy is projected to grow 1.6% annually in the second quarter. Growth in the US economy is forecast to reach 2.6% annually after a 1.7% annualized gain in the first three months of the year.
- The FOMC statement also said U.S. interest rates will rise only slowly over time but did say the U.S economy is on the upswing. With the FOMC meeting just concluded, attention turns to the Bank of Japan meeting Thursday and Friday. It is expected the BOJ will announce some sort of a new monetary policy stimulus package.
- A Japanese newspaper reported Tuesday that any announced BOJ stimulus package will not be an aggressive one. Another Japanese newspaper report Wednesday said upcoming monetary policy stimulus will indeed be robust.

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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

Thursday, July 28, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Jul 28	11:00	GBP Nationwide House Prices n.s.a. (YoY) (JUL)	Medium	5.2%	4.5%	5.1%
Thu Jul 28	12:55	EUR German Unemployment Change (JUL)	High	-7k	-4k	-6k
Thu Jul 28	12:55	EUR German Unemployment Rate s.a. (JUL)	High	6.1%	6.1%	6.1%
Thu Jul 28	17:00	EUR German Consumer Price Index (MoM) (JUL)	Medium		0.2%	0.1%
Thu Jul 28	17:30	USD Advance Goods Trade Balance (JUN)	Medium		-\$61.0b	-\$60.6b
Thu Jul 28	17:30	USD Initial Jobless Claims (JUL 23)	Medium		263k	253k
Thu Jul 28	17:30	USD Continuing Claims (JUL 16)	Medium		2136k	2128k
Thu Jul 28	20:00	USD Kansas City Fed Manf. Activity (JUL)	Low		4	2
Thu Jul 28	20:30	USD U.S. to Sell 2-Year Floating Rate Notes	Low			

Source: Forex Factory, DailyFX

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