

Gold

Technical

Gold prices tumbled early from 22-month highs of 1,318.85 to 1,293 lows, with profit taking cited, but rebounded during the American trading session as fears over Brexit perpetuated. The U.S Dollar has pulled back from earlier highs, usually supportive of gold, though with risk aversion waning, position squaring has been the driver. Support is seen near the 10-day moving average at 1,277. Resistance is seen near the June highs at 1,318. Momentum remains positive as the MACD (moving average convergence divergence) index prints in the black with an upward sloping trajectory which points to higher prices for the yellow metal. The RSI (relative strength index) which is a momentum oscillator that measures overbought and oversold levels, consolidated and is printing a reading of 61, which is on the upper end of the neutral range.

Pivot:	1,286		
Support	1,277	1,272	1,264
Resistance	1,297	1,308	1,315

Highlights

- Gold fell for a second session as polls showing British voters tilting toward remaining in the European Union
- Bullion rallied to the highest in almost two years last week
- A turn in voter sentiment in the latest poll eased market concerns
- The pound jumped against the dollar by the most since 2008, spurring a global rally in higher-yielding currencies
- Gold futures slipped 0.2 percent to settle at \$1,292.10 an ounce

Gold - Technical Indicators

RSI 14	65.40
SMA 20	1,242.60
SMA 50	1,256.06
SMA 100	1,246.98
SMA 200	1,176.28

Gold Daily Graph



Fundamentals

- Gold was down for a second session on Tuesday as Asian shares extended a rally on growing expectations that Britain would opt to remain in the European Union in a referendum later this week. Two opinion polls on Monday suggested support for Britain staying in the European Union had recovered some ground following the murder of a pro-EU lawmaker.
- Betfair betting odds have also shown Britain's "Remain" option gaining traction, with the implied probability of such an outcome at 78 percent on Monday, up from 60-67 percent on Friday.
- Spot gold fell 0.5 percent to \$1,283.50 an ounce, after earlier rising as high as \$1,294. It dropped 0.7 percent on Monday. U.S. gold was down 0.4 percent at \$1,286.50. Should the UK exit poll show the 'Remain' camp maintaining its edge, we suspect that global equities will likely continue to do better over the course of the next two days.
- This will likely continue to pressure gold unless the UK vote tightens once again. A vote on June 23 by Britain to leave the 28-member EU, dubbed "Brexit," could tip Europe back into recession, putting more pressure on the global economy and thereby boosting the safe-haven appeal of gold.
- Spot gold may drop into a range of \$1,275-\$1,280 per ounce, as suggested by a wedge and a Fibonacci projection analysis, Reuters technical analyst Wang Tao said.
- Gold is under short-term volatility, but longer-term factors driving the gold demand are still intact. Gold could be a very good buying opportunity if it pulls back a little bit.
- Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.10 percent to 908.77 tonnes on Monday, the highest since September 2013.

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 has posted fresh six-day highs of 49.35, rallying from earlier N.Y. session lows of 49.16. Risk-on continues to drive the contract as equities rally sharply on the easing of Brexit concerns. The \$50 level remains key, and a break there brings the June 10 peak of 51.64 into focus. Traders await Tuesday API inventory report as well as the Department of Energy's inventory report which is scheduled to be released on Wednesday. Short term support is seen near the 10-day moving average at 49.02. Additional support is seen near last week's lows at 45.93. Momentum remains negative as the MACD index prints in the red with a downward sloping trajectory which points toward lower prices for crude oil. The RSI (relative strength index) on the other hand, moved higher with price action, reflecting accelerating positive momentum which points to higher prices.

Pivot:	49.15		
Support	48.60	47.77	47.30
Resistance	49.70	50.20	50.70

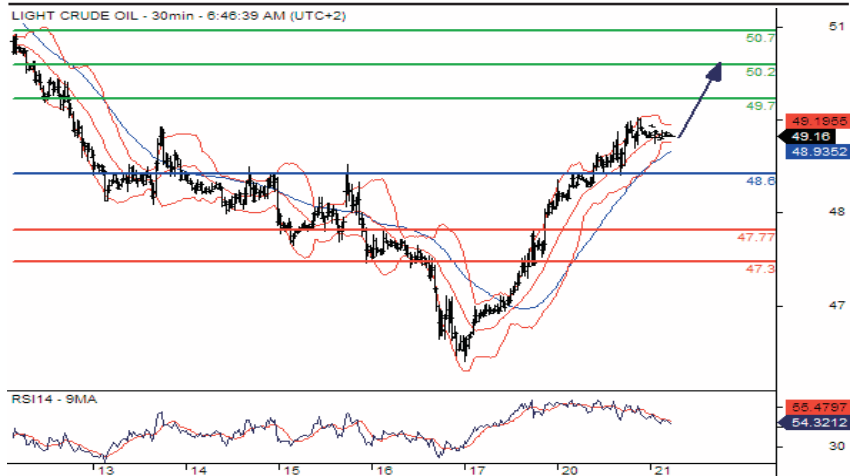
Highlights

- Crude prices broke a two-day gain in early Asian trade today
- Market players turn their attention back to the persistent overhang of oil on reduced odds of U.K. leaving the European Union
- Crude futures traded at \$49.78 barrel, down \$0.17, or 0.4%
- The outcome of the June 23 referendum will be announced on Friday
- A Brexit may not have an immediate impact on oil, the market could suffer collateral damage and Oil could take a hit from a Dollar

Crude - Technical Indicators

RSI 14	46.50
SMA 20	49.26
SMA 50	47.05
SMA 100	41.89
SMA 200	40.01

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell today after a strong two-day rally abated amid volatility fed in part by a vote later this week in Britain that will determine whether the country will leave the European Union.
- Reports from Nigerian media that the government had signed a 30-day ceasefire with militants whose attacks have curtailed the country's crude oil exports also added a bearish signal to a market that firmed on the back of supply disruptions.
- The contract has risen by more than 6 percent since Thursday's settlement, after dropping 10 percent in six previous sessions. U.S. crude was down 45 cents at \$48.92 a barrel.
- With Brexit dominating the market headlines, it might be moves in the U.S. dollar that drive the oil market at least until we get that out of the way. It's likely to be a nervous and skittish week's trading.
- Two opinion polls released yesterday suggested support for Britain staying in the European Union had recovered some ground following the murder of a pro-EU lawmaker last week, although a third survey found backers for a "Brexit" ahead by a whisker. But analysts said a rally on the back of polls was tenuous.
- There is probably too much confidence about the outcome of the Brexit referendum at present recent days have shown just how quickly public opinion can shift. Potentially adding to supply, Iran has increased its crude export capacity at its main terminal on Kharg Island to allow eight tankers to load simultaneously
- Elsewhere, Saudi Arabia's crude oil exports dropped in April despite high production levels, suggesting its battle for market share against U.S. shale drillers may be running its course. Analysts at JBC Energy said the country's stocks of oil were likely to fall further in the coming months as domestic demand stays strong and exports continue.

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 went back and forth during the course of the day on Monday, essentially forming a very neutral candle. With this being the case, it looks like we are still struggling to break out to the upside, and therefore it looks as if the \$18 level will continue to be very resistive. If we can break above there, that's a longer-term "buy-and-hold" type of signal, but in the meantime we are willing to buy short-term pullbacks as they seem to be well supported and there does seem to be a significant amount of bullish pressure underneath. Traders will likely be best served by waiting for a confirmation of a lower high on a break of support, while aggressive traders who have already sold into recent strength may look to add on a breakdown, assuming the total position size fits within overall risk parameters. The next target is anticipated to carry lower towards the 16.70 to 16.90.

Pivot:	17.52		
Support	17.25	17.12	16.91
Resistance	17.60	17.84	18.00

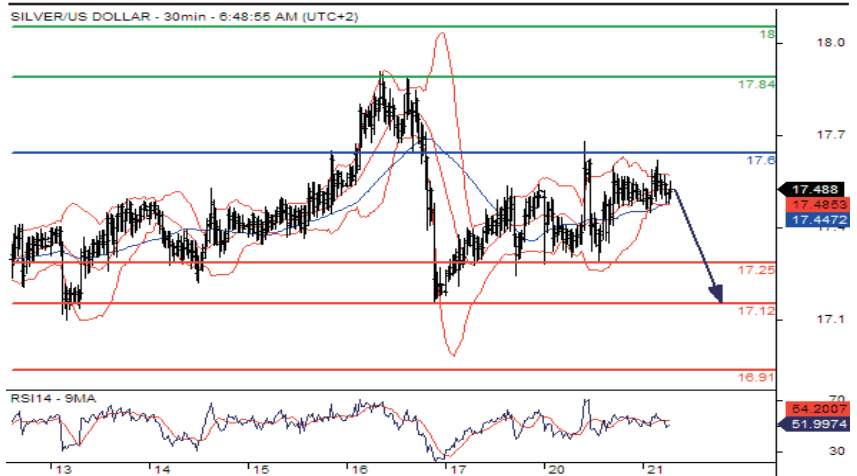
Highlights

- Silver prices remain robust as they fell less than 1% yesterday
- Economists expect silver prices to be far less volatile than gold prices this week
- Federal Reserve Chair Janet Yellen's testimony before the Senate Banking Committee starts later today
- Silver prices fell 0.4 percent to \$17.41 an ounce today in Asian session
- Two opinion polls on Monday suggested support for Britain staying in the European Union

Silver - Technical Indicators

RSI 14	68.08
SMA 20	16.61
SMA 50	16.93
SMA 100	16.18
SMA 200	15.37

Silver Daily Graph



Source: Meta Trader

Fundamentals

- The silver price yesterday was climbed higher following last week's rally to a six-week high. Silver prices were up 0.2% and trading at \$17.45. Silver is coming off of a crazy trading week.
- The price of silver started last week pretty calmly, but began moving higher as the week progressed. By Thursday, the metal received a dramatic boost as investors flocked to precious metals for safety. That day saw the silver price reach its highest level since May 2.
- There were two reasons for all this silver price fluctuation. First, the market began anticipating the Fed's recent meeting and whether or not the Fed would raise interest rates. Second, polls showed the "Leave" side leading in the upcoming Brexit referendum, which helped push up fears of uncertainty.
- All of this added up to some wild action for silver prices. You could feel the anxiety as the sell-off in global stock markets and oil prices boosted safe havens like silver, gold, the U.S. dollar, and sovereign bonds.
- Global financial markets are far more than just about potential 'Brexit'. A great danger for investors and traders is to be caught up in short-term emotional swings. At the time they seem overwhelming, but inevitably the main issues underlying prices return to adjust markets.
- The murder of the British MP last week caused a short term, dealer markdown of prices in the silver market. The silver price remains on support and should begin to rise across the world as the respectful sentiment currently ruling, gives way to the underlying global crises and the referendum.
- The world being what it is, the Brexit 'in' and 'out' campaigns will resume and the tragedy fall into the background ahead of the vote. It could still go either way. It will remain the cause of this week's volatility in all global financial markets.

US Commodity Futures Trading Commission (CFTC) Data

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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

Tuesday, June 21, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Jun 21	06:30	AUD House Price Index (YoY) (1Q)	medium	6.8%	7.5%	8.7%
Tue Jun 21	09:30	JPY All Industry Activity Index (MoM) (APR)	medium	1.3%	1.2%	0.2%
Tue Jun 21	11:00	CHF Trade Balance (Swiss franc) (MAY)	medium	3.79b		2.50b
Tue Jun 21	13:00	EUR German Constitutional Court Rules on Legality of ECB's OMT	high			
Tue Jun 21	13:30	GBP Public Finances (PSNCR) (Pounds) (MAY)	medium	3.4b		-2.0b
Tue Jun 21	14:00	EUR German ZEW Survey (Economic Sentiment) (JUN)	high	19.2	4.8	6.4
Tue Jun 21	14:00	GBP BOE Holds Second Additional ITLR Operation Around EU Vote	high			
Tue Jun 21	18:00	EUR ECB President Mario Draghi Speaks in Brussels	medium			
Tue Jun 21	19:00	USD Yellen Testifies on Monetary Policy to Senate Banking Panel	medium			

Source: *Forex Factory, DailyFX*

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