

## Gold

### Technical

Gold prices gain traction as the dollar lost ground following a decline in U.S. pending home sales. The yellow metal is forming a bull flag pattern, with support seen near the 10-day moving average at 1,294. Resistance is seen near last week's highs at 1,358. 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 gold. U.S. pending home sales fell 3.7% to 110.8 in May, following a revised 3.9% jump to 115.0 in April. That's weaker than forecast. The NAR said a lack of supply was a major factor behind the decline. However, sales are still posting gains relative to last year, up 2.4% year over year versus 1.8% year over year previously. All four regions posted declines on the month, paced by the 5.2% drop in the Northeast.

Pivot:	1,318		
Support	1,305	1,294	1,272
Resistance	1,235	1,345	1,359

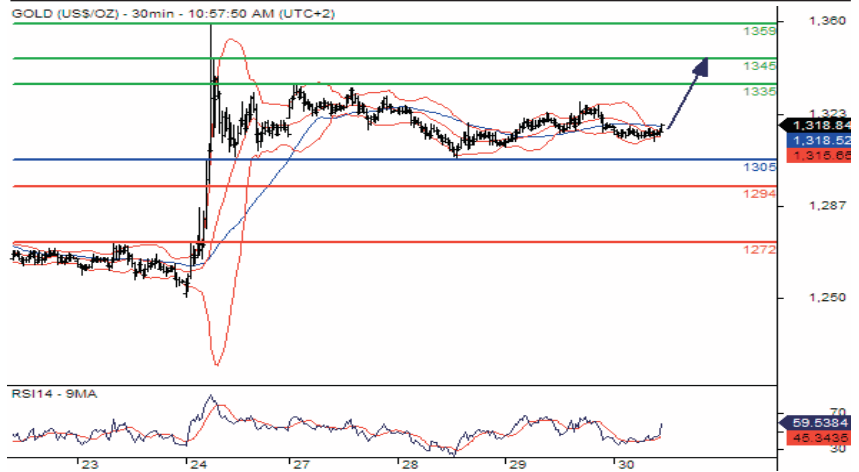
### Highlights

- Gold rose in yesterday's session as the dollar retreated and investor appetite for safe assets remained strong
- Bullion was still below its Friday peak – the highest since March 2014 at \$1,358.20
- The metal is often perceived as a hedge against economic and financial risk
- U.S gold settled up 0.7 percent yesterday at \$1,326.90
- Markets will continue to monitor U.S economic data for clues on the timing of the next rise in interest rates

### 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 rose yesterday as the dollar retreated and investor appetite for safe assets continued on longer-term financial uncertainty after Britain's surprise vote to leave the European Union.
- Bullion fell by about 1 percent on Tuesday as investors took profits from its biggest two-day gain since November 2008 as the British vote sparked sales of riskier assets. The metal, often perceived as a hedge against economic and financial risk, surged 4.8 percent on Friday to \$1,358.20 an ounce, its highest since March 2014.
- Spot gold rose 0.5 percent to \$1,318.70 an ounce yesterday, while US gold was up 0.3 percent at \$1,321.60. Although there are still big uncertainties ahead, looking at the way equities have performed over the past couple of days, a risk-on mentality is definitely coming back.
- In the medium term, gold is going to be supported by the unlikelihood that the Fed will raise rates in the next couple of months. European and Asian stock markets continued to recover after last week's hefty losses, while the dollar was down 0.3 percent against a basket of leading currencies.
- If Brexit is seen severely impacting the market, central banks will step in to calm the markets, which would not be good for gold. European leaders have asked Britain to act quickly to resolve the political and economic confusion unleashed by the so-called Brexit vote, with the IMF having said the uncertainty could pressure global economic growth.
- Britain's vote to leave the bloc could also drag on the US economy at a time when momentum in the country's job market may already be slowing, Federal Reserve governor Jerome Powell said on Tuesday. Markets will continue to monitor US economic data for clues on the timing of the next rise in US interest rates.

### 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 moved higher on Wednesday following a stronger than expected drop in crude oil inventories as reported by the Department of Energy. Prices recaptured resistance which is now support near the 10-day moving average at 48.48. Resistance is seen near the June highs at 51.64. The RSI moved higher with price action reflecting accelerating positive momentum. The crude oil inventory decline was relatively robust. According to the EIA, U.S. commercial crude oil inventories decreased by 4.1 million barrels from the previous week. Gasoline inventories increased by 1.4 million barrels last week, and are well above the upper limit of the average range. Distillate fuel inventories decreased by 1.8 million barrels last week. Total commercial petroleum inventories decreased by 1.0 million barrels last week. Demand for products remains strong.

Pivot:	49.42		
Support	48.00	46.80	45.90
Resistance	50.56	51.10	51.50

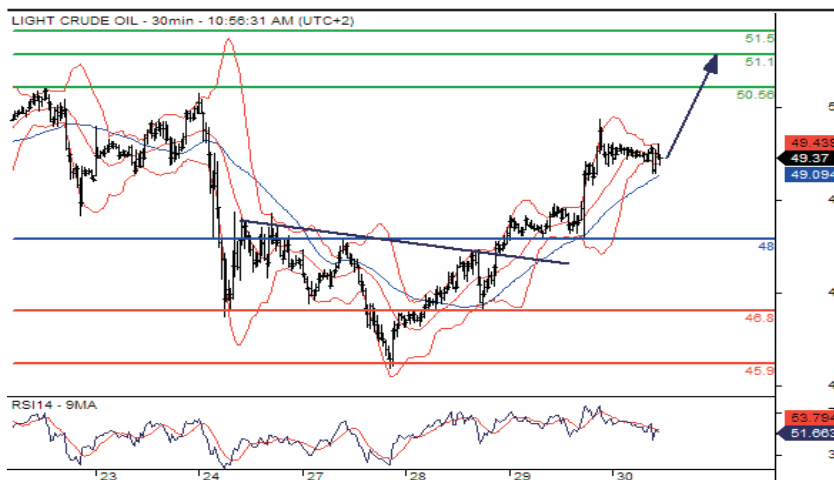
### Highlights

- U.S oil prices made their largest gains in one session since early April
- Falling U.S stockpiles and a broader market rebound sent traders back into crude and many other commodities
- Crude stockpiles fell by 4.1 million barrels in the week ended Friday double what analysts had forecast
- The market has been on its strongest rally since the financial crisis
- U.S crude oil for August delivery settled up \$2.03, or 4.2%, at \$49.88 a barrel

### 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 fell towards \$49 a barrel today, pressured by higher Nigerian output and concern about the economic outlook following Britain's vote to leave the European Union last week.
- Returning Nigerian supply will put pressure on prices, Goldman Sachs said, adding that outages caused by Canadian wildfires would virtually end by September. Norwegian supply could be hit by a threatened workers' strike, however.
- U.S crude was down 48 cents to \$49.40. Supply is gradually improving in Canada, although in Norway we still have some risk. Crude has risen by 85 percent since reaching a 12-year low in January, supported by expectations that a glut that has been weighing on prices since 2014 would start to ease and by unplanned losses from Canada to Nigeria.
- Nonetheless, the return of some of that oil and concern over a slowing economy, compounded by Britain's vote to leave the European Union, are weighing near-term, economists said.
- Adding to economic concerns, industrial output in Asia's second-largest economy, Japan, slid in May at the fastest rate in three months to its lowest level since June 2013.
- On the supply front, oil production in Nigeria has risen to about 1.9 million barrels per day (bpd) from 1.6 million, due to repairs and a lack of new major attacks on pipelines in the Delta region, the state oil company said on Monday.
- In Norway, oil companies and trade unions began two-day wage talks in a bid to avert a strike that would initially cut the country's oil and gas output by 12 percent, the Norwegian Oil and Gas Association said. Oil gained some support from tightening supplies in the United States.

### 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 exploded to the upside during the day on Wednesday, as we finally clear the \$18 level with gusto. It now appears that silver is getting ready to go much higher, and as a result it's likely that short-term pullbacks will continue to attract buyers as silver has certainly seen quite a bit of interest lately. Part of this will be a look at the "heart currency" aspect of the market, as several currencies around the world are unwanted. That being the case, it's likely that the market will continue to go higher and that pullbacks will continue to be value. The current trading environment has become less than ideal across most asset classes as market participants digest recent events, making trading decisions difficult without time for new set-ups to develop. With that said, our efforts have shifted to looking at charts from afar until short-term price behavior becomes clearer.

Pivot:	18.38		
Support	18.00	17.84	17.70
Resistance	18.60	18.74	18.90

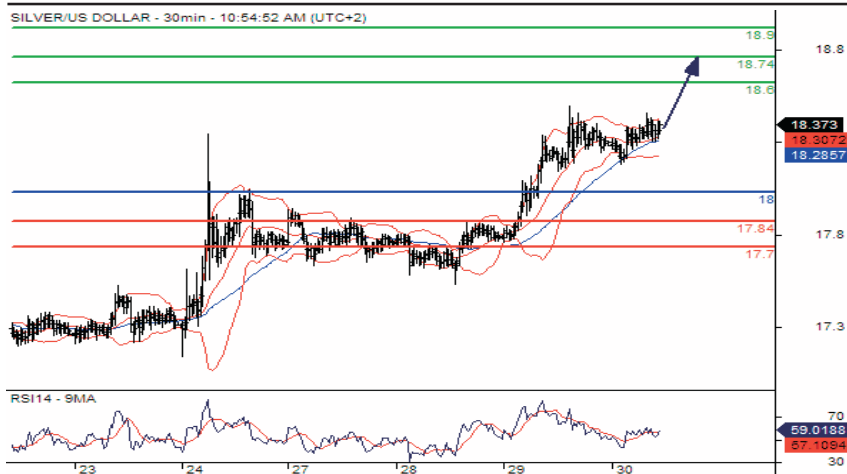
### Highlights

- The sudden run-up in silver prices was largely triggered by the unexpected UK decision to leave the EU
- Silver's positive performance is heavily driven by gold rather than actual safe-haven demand
- Silver ETF holdings dropped 140 tonnes while gold ETF holdings rose 28 tonnes
- Silver gained 51.8 cents, or 2.9%, at \$18.407 an ounce, with prices at their highest since mid-September of 2014
- The Dollar was weaker on a corrective pullback from recent gains

### 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



### Fundamentals

- The rally for silver yesterday was more impressive than gold's. The September contract gained 51.8 cents, or 2.9%, at \$18.407 an ounce, with prices at their highest since mid-September of 2014.
- Silver is like gold on steroids when it gets going due to the very small size of the physical silver market versus stock, bond and even the gold market. Silver looks bullish and investors are allocating to it in a big way
- The rate of inflation was little changed. The news did little to sway expectations in the metals market for a go-slow approach to interest-rate changes at the U.S Federal Reserve. Lower rates tend to be supportive to precious metals prices.
- The greenback and silver often move in opposite directions because dollar gains make the metal more expensive to buyers using other currencies. But their inverse relationship has been disrupted in the wake of the Brexit vote as demand for assets considered havens like precious metals, the Swiss franc and the yen rumped convention.
- the critical gold:silver ratio (GSR) is probably what investors should be watching here. This may tell them more than the price alone, according to Sharps Pixley's analyst Lawrie Williams. The GSR shows how many ounces of the white metal would buy one ounce of gold. The lower it is, the more bullish the silver market.
- Silver's positive performance is heavily driven by gold rather than actual safe-haven demand – ETF holdings were broadly stable on Friday while gold ETF holdings jumped 21 tonnes. Over June 17-24, silver ETF holdings dropped 140 tonnes while gold ETF holdings rose 28 tonnes, indicating the absence of safe-haven demand for silver. Silver will probably continue to be driven by gold in the near term so the degree of risk aversion in the financial markets will play a key role.

### 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, June 30, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Jun 30	04:05	GBP GfK Consumer Confidence Survey (JUN)	Medium	-1	-2	-1
Thu Jun 30	04:50	JPY Industrial Production (YoY) (MAY P)	Medium	-0.1%	1.9%	-3.3%
Thu Jun 30	12:55	EUR German Unemployment Change (JUN)	High	-6k	-5k	-10k
Thu Jun 30	14:00	EUR Euro-Zone Consumer Price Index Estimate (YoY) (JUN)	High	0.1%	0.0%	-0.1%
Thu Jun 30	17:30	USD Initial Jobless Claims (JUN 25)	Medium		267k	259k
Thu Jun 30	17:30	USD Continuing Claims (JUN 18)	Medium		2152k	2142k
Thu Jun 30	17:30	CAD Gross Domestic Product (YoY) (APR)	High		1.4%	1.1%
Thu Jun 30	18:45	USD Chicago Purchasing Manager (JUN)	Low		50.7	49.3
Thu Jun 30	20:00	BOE's Carney Speaks in London	High			

Source: Forex Factory, DailyFX

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