

Gold

Technical

Gold prices eased slightly on Wednesday, as hawkish Fed speak buoyed the greenback, generating headwinds for the yellow metal. Solid Chain store sales also helped the dollar gain ground. Prices are testing resistance levels seen during the middle of August at 1,356, and a break would lead to the Aug 1 highs at 1,366. Support is seen near the 10-day moving average at 1,325. Momentum has turned positive as the MACD (moving average convergence divergence) 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. Hawkish Richmond Fed's Lacker argues for a September hike for which the "case is strong," he said in House testimony. He noted that the Fed needs to make up ground on interest rates. This weighed on gold prices.

Pivot:	1,347		
Support	1,341	1,335	1,328
Resistance	1,359	1,365	1,374

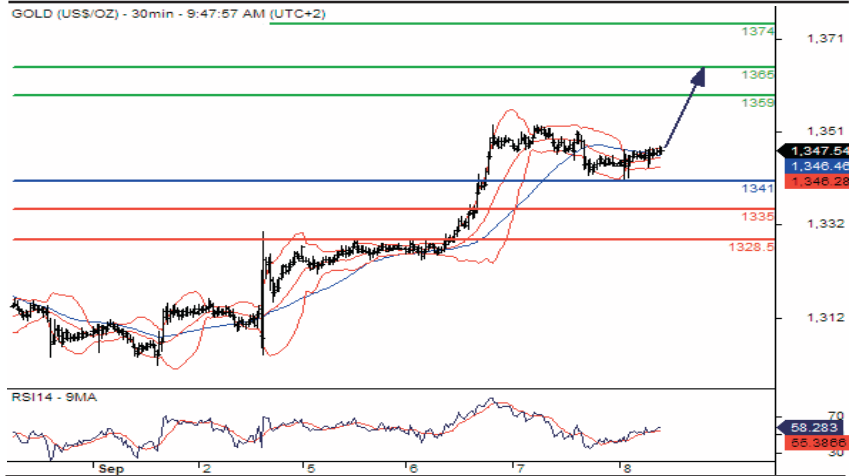
Highlights

- Gold prices reversed gains yesterday, weighed upon by a rising dollar
- Gold for December delivery closed down 0.4% at \$1,349.20 a troy ounce on the Comex division of the NYMEX
- The Dollar Index, which measures the dollar against a basket of other currencies, was recently up 0.1% at 85.87
- A run of soft data has dented expectations for a rate increase this month
- Negative interest rate make a dollar less appealing to yield-seeking investors

Gold - Technical Indicators

RSI 14	59.17
SMA 20	1,331.57
SMA 50	1,335.83
SMA 100	1,307.83
SMA 200	1,258.68

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold held steady early today in Asian session, after dipping 0.3 percent in the prior session, as the dollar slipped and investors awaited cues on monetary stimulus from a European Central Bank policy meeting due later in the day.
- Spot gold was little changed at \$1,346.40 an ounce. U.S. gold futures were steady at \$1,350.60. The euro zone economy is widely expected to need more stimulus from the European Central Bank, but it may not come at the bank's policy meeting today.
- The case for a U.S. interest rate increase will be strong when Federal Reserve policymakers meet later this month, Richmond Fed President Jeffrey Lacker said on Wednesday.
- The U.S. labor market could already be at full strength, Kansas City Federal Reserve President Esther George said on Wednesday. Raising U.S. interest rates makes sense now that the economy is at full employment and "within sight" of the central bank's 2-percent inflation goal, San Francisco Fed President John Williams said on Tuesday.
- The U.S. economy expanded at a modest pace in July and August, the Federal Reserve said on Wednesday, but there was little sign that wage pressures are being felt beyond highly skilled jobs.
- The dollar index, which measures the greenback against a basket of currencies, was down about 0.1 percent at 94.887. Turning fortunes for gold pushed withdrawals from U.S.-based commodity funds to their highest levels since April, Investment Company Institute data for the latest week showed on Wednesday.
- Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.03 percent to 951.81 tonnes on Wednesday. China's gold reserves rose to 58.95 million troy ounces at the end of August.

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 in yesterday's trading session ahead of the American Petroleum Institute's estimate of petroleum inventories. The rally came on the back of comments from Iran's oil minister, who said the country was prepared to work with Saudi Arabia and Russia to stabilize oil prices. The words were enough to squeeze out some weak shorts, but few expect any output accord at the informal OPEC meeting to be held in Algiers later this month. Prices ran into resistance near the 10-day moving average at 45.60. Support is seen near the September lows near 43. Momentum is turning neutral with the MACD printing in the red with a flattening trajectory which points to consolidation. This is confirmed by the RSI (relative strength index) which is printing a reading at 50, which is in the middle of the neutral range and reflects consolidation.

Pivot:	46.32		
Support	45.28	44.67	43.80
Resistance	47.00	47.49	48.22

Highlights

- Oil futures rose, extending their recent gains following a report of steep draw in U.S. crude inventories
- Crude futures for delivery in October traded up 1.6% at \$46.24 a barrel
- Chinese government data showed the country's oil imports rose to their highest level of the year last month
- China, the world's No. 2 oil user imported 32.85 million tons of oil in August
- The course of U.S oil inventories is expected to come into focus later this week

Crude - Technical Indicators

RSI 14	54.64
SMA 20	46.40
SMA 50	44.68
SMA 100	46.59
SMA 200	41.61

Crude Oil Daily Graph



Fundamentals

- Oil prices rose more than 1.5 percent today after U.S. industry data showed a large drawdown in crude stocks, reflecting the temporary impact of an Atlantic storm.
- U.S crude stocks fell 12.1 million barrels last week, data from the American Petroleum Institute showed after the market settled on Wednesday, compared with expectations for an increase of 200,000 barrels.
- U.S. light crude was up 90 cents at \$46.40 a barrel, having ended the previous session up 67 cents. U.S. crude stocks have been at record highs in the last two years, thanks partly to a shale boom that has boosted output. But Tropical Storm Hermine, which threatened the Gulf Coast refining region last week before moving to the U.S. East Coast, led to the loss of U.S. oil production.
- The U.S. government said on Aug. 29 that 11.5 percent of Gulf of Mexico output was shut in as a precautionary measure. The big picture is bearish. The API stats are only a road bump on the way down.
- Oil was also buoyed by robust trade data from China, which showed its crude imports in August surged by nearly a quarter from a year ago to the second-highest amount ever, driven by independent refiners as they rushed to cash in on low oil prices before import quotas expire in December.
- Oil hit a one-week high on Monday after Russia and Saudi Arabia agreed to cooperate on stabilizing the oil market. Prices have since fallen due to uncertainty over a possible deal by producer nations to freeze output, particularly after a meeting in Doha in April ended without such an agreement.
- The Organization of the Petroleum Exporting Countries and non-OPEC producers such as Russia are expected to discuss the issue at informal talks in Algeria from Sept. 26-28. Many analysts expect oil prices to decline ahead of the OPEC meeting as markets are well supplied.

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 initially tried to rally during the course of the day on Wednesday, but turned right back around as the \$20 level has offered a significant amount of resistance. Quite frankly, this is a market that has been overbought for a moment now, so a pullback will more than likely represent value and therefore I feel that we may have to wait for supportive candles in order to build up enough momentum to finally break above the \$20 level. I have no interest in selling, and believe that eventually silver will break out. Silver prices are sitting in the middle of a range which was in place for most of July and a large part of August. As long as support levels can hold, it would be reasonable to conclude a move to the mid to upper-20s, which made up that range, could take shape in the foreseeable future. The most significant support level to watch in the short-run is 19.20.

Pivot:	19.89		
Support	19.60	19.30	19.09
Resistance	20.27	20.43	20.60

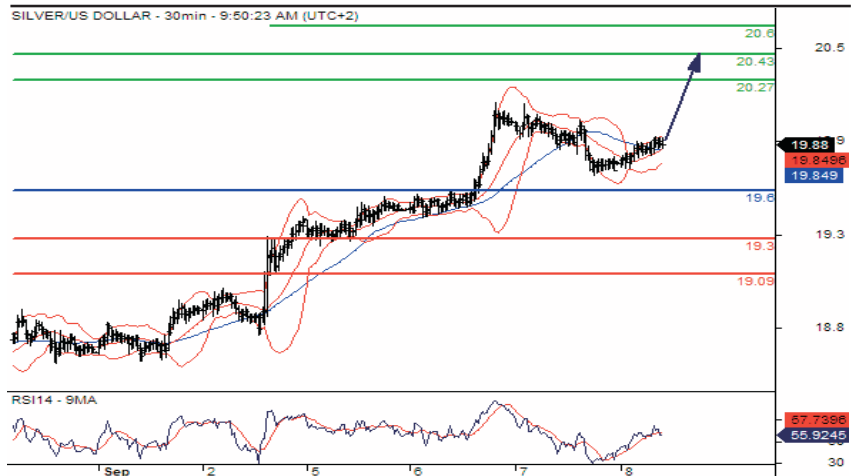
Highlights

- Spot silver added 0.5 percent today in Asian trading session
- Weaker U.S. economic data damp prospects for an interest rate increase this month by the Federal Reserve
- Investor's attention is now on the ECB, which will review policy today
- Odds for tightening in September dropped to 22 percent as of yesterday, from 34 percent at the start of the month
- Weekly jobless claims in the U.S are scheduled for release later in the day

Silver - Technical Indicators

RSI 14	60.46
SMA 20	19.15
SMA 50	19.68
SMA 100	18.58
SMA 200	17.04

Silver Daily Graph



Source: Meta Trader

Fundamentals

- After sustained dollar weakness pushed silver prices back above \$20.00 per ounce, sellers pushed prices back below this level with the dollar gaining some respite after a strong job-openings reading.
- Silver continued to take advantage of dollar vulnerability during the late US session yesterday with a break above the important \$20.00 resistance area triggering stop-loss buying and a peak just above \$20.20.
- Prices drifted lower in the European session yesterday with a fresh test of \$20.00 as the dollar attempted to stabilise. The latest US JOLTS job-openings data was stronger than expected with an increase in July to 5.87mn from an upwardly revised 5.64mn in July, originally reported at 5.62mn, and the total was well above the consensus forecast of 5.63mn.
- The latest data was the strongest in the current economic cycle and compared with a figure of just below 2.50mn seen in 2010. The data overall should bolster confidence in the employment market and strengthen the case for Fed tightening.
- The dollar was able to find support at lower levels following the data with EUR/USD trading just below the 1.1250 level with the trade-weighted index edging higher by around 0.20%.
- US bond yields were only marginally higher, which lessened the potential impact on precious metals prices, although gold did find resistance just above the \$1,350 level with some retracement in US trading.
- Richmond Fed President Lacker stated that the case for a September rate hike was strong, while Kansas City Fed President George stated that the US is at or near full employment, both of these members being hawks on the FOMC.
- The dollar edged slightly stronger, which pulled silver back below \$20.00 late in the European session, with a dip to around \$19.75. The ECB policy meeting will be watched very closely with potentially contradictory forces on silver prices.

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, September 08, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu Sep 08	04:50	JPY Trade Balance - BOP Basis (Yen) (JUL)	Medium		¥579.4b	¥763.6b
Thu Sep 08	04:50	JPY Gross Domestic Product (QoQ) (2Q)	Medium		0.0%	0.0%
Thu Sep 08	16:45	EUR European Central Bank Rate Decision (SEP 8)	High		0.00%	0.00%
Thu Sep 08	16:45	EUR ECB Deposit Facility Rate (SEP 8)	High		-0.40%	-0.40%
Thu Sep 08	16:45	EUR ECB Asset Purchase Target (SEP)	Medium		EU80b	EU80b
Thu Sep 08	17:30	USD Initial Jobless Claims (SEP 3)	Medium		265k	263k
Thu Sep 08	17:30	USD Continuing Claims (AUG 27)	Medium		2151k	2159k
Thu Sep 08	17:30	CAD New Housing Price Index (YoY) (JUL)	Medium		2.5%	2.5%
Thu Sep 08	20:00	USD DOE U.S. Crude Oil Inventories (SEP 2)	Medium			

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