

Gold

Technical

Gold prices rebounded smartly after testing support near the 10-day moving average at 1,341 early in the European trading session. Softer than expected UK sentiment following the Brexit vote has given the yellow metal a boost. Resistance on the yellow metal is seen near the March 2014 highs at 1,388. 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. U.K. consumer confidence tumbled following the Brexit vote. Gfk's core index dropped to -9 in a special post-referendum survey conducted over the week that followed the decision to leave the EU. Most of the decline however was a reflection of those who wanted the UK to stay. Surveyors who said they voted to remain in the EU dropped to minus 13, while those who wanted to remain dropped to minus 5.

Pivot:	1,366		
Support	1,357	1,350	1,342
Resistance	1,375	1,383	1,393

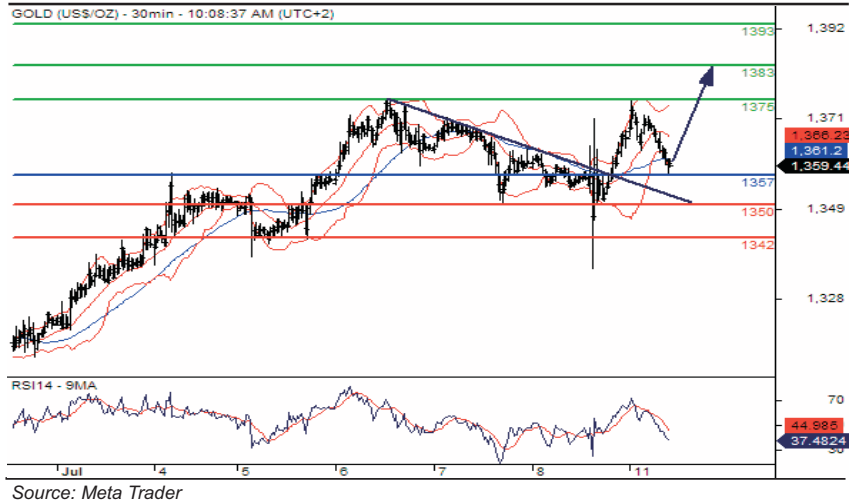
Highlights

- Gold fell as strong U.S. jobs data and the prospect of more monetary stimulus from some central banks boosted stock markets
- Concerns over the prospect of Britain leaving the EU kept gold underpinned
- Gold is still within \$20 of last week's more than two year high
- The UK's vote to leave the currency bloc has roiled markets in recent weeks
- Spot gold was down 0.6 percent at \$1,358.50 an ounce, having touched its highest since March 2014 last week

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



Fundamentals

- Gold edged lower today as the dollar steadied and equity markets rallied following upbeat U.S. jobs data last week that came as more evidence the economy had regained speed after a first-quarter lull.
- Asian share markets enjoyed a relief rally as the upbeat U.S. jobs data on Friday lessened immediate concerns about the health of the world's largest economy, while the long-run fallout from Brexit kept sovereign yields near record lows.
- The dollar index inched up 0.4 percent to 96.670, hovering near an 11-day high of 96.697 hit on Friday. Spot gold was trading down 0.3 percent at \$1,362.35 an ounce.
- The yellow metal, which hit a low of \$1,335.68 an ounce ahead of better-than-expected U.S. jobs data, rose in early trade to just shy of a more than 2-year high of \$1,374.91 hit on July 6. U.S. gold was up 0.4 percent at \$1,363.90 an ounce, after earlier hitting a high of \$1,376.50.
- U.S. job growth surged in June as manufacturing employment increased, but tepid wage growth could see the Fed remain cautious about hiking interest rates. The market is really comfortable with the view that the U.S. Federal Reserve is not going to raise rates in the immediate term despite the positive data, on the back of continued concern in the global markets around the Brexit vote.
- U.S. employers have been adding enough jobs over the last six months to put the economy on track, but that prospect alone is unlikely to get the Fed to step on the brakes with interest-rate hikes.
- Holdings in SPDR Gold Trust GLD, the world's largest gold-backed exchange-traded fund, rose 0.30 percent to 981.26 tonnes on Friday. Spot gold may fall towards its July 8 low of \$1,335.68 per ounce.

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 futures finished the week well off its high closing at \$46.12, down -7.11%. Crude oil prices have been trading mostly lower since the U.K. voted to leave the Euro Zone, a move that could lead to a recession in Britain and Europe and a drop in demand. However, last week's price action suggests the market may be finally reacting to the bearish supply/demand situation also. The day before the Brexit referendum, the market closed at \$50.76. Two days later it reached a low of \$46.53. A subsequent short-covering rally sent the futures contract to \$50.70 on June 29 and since then it has been downhill all the way reaching a low at \$45.47 last week. The futures contract fell nearly 5 percent on July 7, reversing early intraday gains after the U.S. government reported a weekly crude oil draw that was a bearish surprise to bullish traders expecting a larger drawdown.

Pivot:	44.69		
Support	44.00	43.40	42.65
Resistance	45.80	46.70	47.35

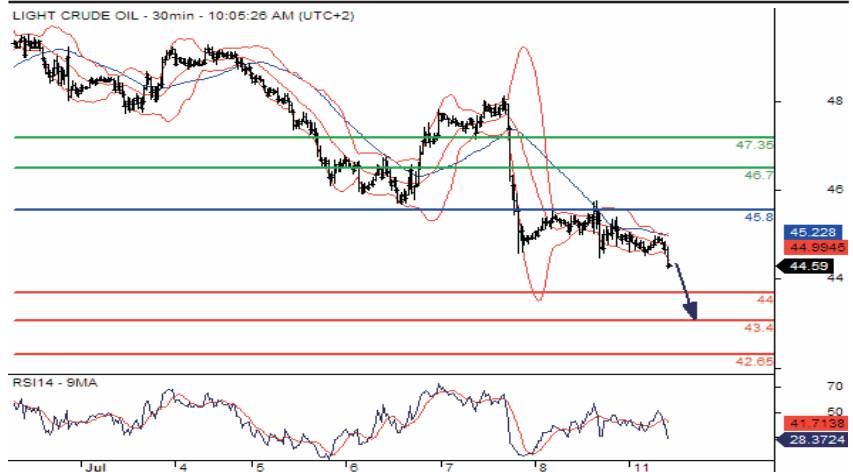
Highlights

- Oil markets may remain stable this year even as Iran plans to keep boosting crude exports to regain the market share
- Iran exports about 2 million barrels of its daily output of 3.8 million
- Crude oil prices opened lower in early Asian trade today as investors shrugged off the positive U.S job report
- Crude futures for delivery in August traded at \$44.91 a barrel, down \$0.50
- Industry group Baker Hughes reported that the number for oil rigs rose by 10

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 today over signs that U.S shale drillers have adapted to lower prices and on renewed indications of economic weakness in Asia. U.S. West Texas Intermediate crude was down 46 cents at \$44.95 a barrel.
- Physical markets were also under pressure. Rising Canadian oil flows are having difficulty finding space in pipelines, weighing on Canadian prices, now at a \$15 discount to WTI. Iran set the official selling price of its light grade for Asia at \$0.45 above the Oman/Dubai average for August, down 40 cents on the month.
- Traders said the lower prices were a result of Asian refiners beginning to cut crude orders, and also to the region's economic slowdown. Goldman Sachs said that it expected "WTI oil to remain in a range of \$45-50 per barrel over the next 12 months".
- Meanwhile, there is evidence that U.S. producers can live with crude of \$45 or higher, as drillers added rigs for the fifth week in six, U.S. oil bankruptcies became sparse in June, and bullish U.S. oil bets dropped to near four-month lows.
- Saudi Arabia's energy minister Khalid al-Falih said on Sunday that oil markets were becoming balanced and, as a result, prices were stabilizing. However, signs of economic slowdown weighed. In Japan, core machinery orders unexpectedly fell 1.4 percent in May from the previous month, down for a second straight month, government data showed.
- Elsewhere, China's economic growth likely cooled to a fresh seven-year low of 6.6 percent in the second quarter, according to a Reuters poll of 61 economists, its weakest in seven years. Despite this, vehicle sales climbed 14.6 percent to 2.1 million units in June compared with last year, according to the China Association of Automobile Manufacturers.

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

The silver markets initially rallied during the course of the week, breaking above the \$21 level. However, we ended up forming a massive shooting star so looks as if we could pull back from here. A break down below the bottom of the candle should send this market looking for the \$18 level where I would anticipate fighting quite a bit of support. On the other hand, if we can break above the top of the shooting star that would be an extraordinarily bullish sign as it would show a real break out of bullish pressure. If the silver market can break above the top the hammer, which is the \$20 level, the market players believe that the market will attempt to break out to the upside yet again. Ultimately, this is a market it wants to go higher but we need to build up momentum in order to break out to the upside. I think there is a complete “floor” in this market at the \$18 handle.

Pivot:	20.28		
Support	19.94	19.40	19.00
Resistance	20.75	21.23	21.42

Highlights

- Silver has outshined its sister metal since the U.K.'s decision to leave the EU sparked turmoil in global equities markets
- Silver futures hit a 23-month high of \$20.203 an ounce
- Price for silver eased back a bit Thursday, with silver booking its first decline in seven sessions
- Silver prices are still set to surpass \$21 to \$22 predictions from earlier this year and talk of \$25, \$27 have emerged
- Like gold, silver's climb isn't just about Brexit, or the U.K.'s EU exit

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

- In the midst of the market uncertainty over Brexit, it's not just gold that's shining as an investment alternative these days. Silver is outperforming, as well. As gold has surged to its highest since March 2014 in recent weeks, silver is hovering around \$19 an ounce, up roughly 10 percent since voters in Britain opted to leave the European Union.
- After hitting nearly \$40 an ounce in 2011 and then crashing down to \$11, silver recently broke above its January 2015 highs, a key price level. Silver is still cheap compared to gold, and investors would still expect it to outperform gold in the near term.
- Brexit is a “symptom” of the European Central Bank’s failure to stimulate” the EU’s economy via money printing. The bull market in gold and silver is really all about negative real interest rates, currency market volatility and failed central-bank policy world-wide.
- Gold and silver are beholden to no central bank and that is why they are both rallying in a new bull market. But silver’s climb is particularly impressive. Since the Brexit vote was held on June 23, silver futures have gained more 14%, compared with a climb of around 7.8% for gold futures.
- Silver typically tracks gold prices, with bells on. For every 1% move in gold over the last 40 years, silver has averaged a move of 1.75% both up and down. A big part of the reason for silver’s outsize moves is well-known: silver’s traded on a much smaller volume than gold, so it’s much more volatile and moves tend to be exaggerated.
- Demand in China has been particularly strong, analysts said. Today The gold-to-silver ratio currently stands at about 1 to 67. In other words, a single ounce of gold is worth about 67 ounces of silver. The ratio can serve as an indicator to determine when to buy or sell the precious metals., the most actively traded silver futures hit its 6% daily maximum at the open.

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

Monday, July 11, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Jul 11	03:45	NZD Card Spending Retail (MoM) (JUN)	Medium	1.2%	0.5%	-0.3%
Mon Jul 11	03:45	NZD NZ Card Spending (MoM) (JUN)	Low	1.0%		-0.6%
Mon Jul 11	04:50	JPY Machine Orders (YoY) (MAY)	Medium	-11.7%	-8.7%	-8.2%
Mon Jul 11	04:50	JPY Japan Money Stock M3 (YoY) (JUN)	Low	2.9%	2.8%	2.9%
Mon Jul 11	06:30	AUD Home Loans (MAY)	Medium	-1.0%	2.0%	1.7%
Mon Jul 11	11:00	JPY Machine Tool Orders (YoY) (JUN)	Medium			-24.7%
Mon Jul 11	13:00	CHF Domestic Sight Deposits (JUL 8)	Low			
Mon Jul 11	17:15	CAD Housing Starts (JUN)	Medium		189.0k	188.5k
Mon Jul 11	19:00	USD Labor Market Conditions Index Change (JUN)	Medium		0	-4.8

Source: Forex Factory, DailyFX

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Contact Details

IGI Commodity Team

Karachi Office

Tel: (+92-21) 35301392 Cell: 0321-4499228 igi.commodity@igi.com.pk

Lahore Office

Zaeem Haider Khan Tel: (+92-42) 35777863-70 Cell: 0321-4772883 zaeem.haider@igi.com.pk
 Syed Zeeshan Kazmi Tel: (+92-42) 35777863-70 Cell: 0321-4499228 zeeshan.kazmi@igi.com.pk
 Ehsan Ull Haq Tel: (+92-42) 35777863-70 Cell: 0321-4861015 ehsan.haq@igi.com.pk

Islamabad Office

Muhammad Naveed Tel: (92-51) 2604861-62 Cell: 0345-5599900 muhammad.naveed@igi.com.pk

Faisalabad Office

Gul Hussain Tel: (92-41) 2540843-45 Cell: 0344-7770878 gul.hussain@igi.com.pk

Rahim Yar Khan Office

Laiq Ur Rehman Tel: (+92-68) 5871653-55 Cell: 0300-8670967 laiq.queshi@igi.com.pk

Multan Office

Mehtab Ali Tel: (+92-61) 4512003 Cell: 0300-6348471 mahtab.ali@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Karachi Stock Exchange Limited and
 Lahore 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-F.C.C. Ground Floor, Syed Maratib Ali
 Road, Gulberg II, Lahore
 Tel : (+92-42) 35777863-70, 35876075-76
 Fax : (+92-42) 35763542

Faisalabad Office

Room #: 515-516, 5th Floor, State Life
 Building, 2- Liaquat Road, Faisalabad
 Tel : (+92-41) 2540843-45
 Fax : (+92-41) 2540815

Islamabad Office

Mezzanine Floor Razia Sharif Plaza,
 90-Blue Area G-7, Islamabad
 Tel : (+92-51) 2802241-42, 2273439, 2273443
 Fax : (+92-51) 2802244

Stock Exchange Office

Room # 719, 7th Floor, KSE Building
 Stock Exchange Road, Karachi
 Tel : (+92-21) 32429613-4, 32462651-2
 Fax : (+92-21) 32429607