

Gold

Technical

August Comex Gold futures finished higher on Friday and for the week. The rally was driven by safe-asset buying due to concerns over a UK exit from the European Union. Since the referendum to decide this is June 23, we could be looking at tremendous volatility until then. The main range is down according to the daily swing chart. However, the eight day rally indicates momentum has shifted to the upside. It also puts the market in the window of time for a potentially bearish closing price reversal top. This may be necessary to alleviate the overbought condition. The main range is \$1308.00 to \$1201.50. Its retracement zone is \$1254.70 to \$1267.30. Another range is \$1292.40 to \$1201.50. Its retracement zone is \$1246.90 to \$1254.70. The market is trading over both of these zones, giving it an upside bias. All retracement levels should be considered support.

Pivot:	1,274		
Support	1,264	1,257	1,246
Resistance	1,282	1,293	1,303

Highlights

- Gold held higher in Asian session today on a weaker dollar and after data in China showed strong retail sales
- Gold for August delivery on the Comex gained 0.12% to \$1,277.45 a troy ounce
- Investors will turn attention to Wednesday's monetary policy announcement by the Fed for clues on U.S interest rates
- Gold prices finished the week with impressive gains
- Prices of the precious metal are up nearly 5% so far in June

Gold - Technical Indicators

RSI 14	66.81
SMA 20	1,239.60
SMA 50	1,254.06
SMA 100	1,244.98
SMA 200	1,175.28

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold touched a four-week high today, supported by a weaker dollar and a slide in Asian stocks ahead of key central bank meetings this week and a June 23 referendum on Britain's exit from the EU.
- The U.S. Federal Reserve, Bank of England, Swiss National Bank and Bank of Japan will all meet this week, and are expected to hold monetary policy steady against a backdrop of caution about the global economic outlook as well as the impact about a possible "Brexit".
- Often perceived as a hedge against economic and financial uncertainty, gold has so far gained 5 percent in June and 20 percent for the year. Spot gold rose 0.6 percent to \$1,281.96 an ounce. Bullion earlier touched a session best of \$1,284.20 an ounce, its highest since May 16. U.S. gold was up 0.7 percent at \$1,285.10.
- The market is full of uncertainty over Brexit and also over the interest rate decision by FOMC (the Federal Open Market Committee) as well as other regional concerns. Gold has been up and \$1,300 should be an immediate target at least for the coming week, with \$1,240 being the support level.
- Asian stocks fell the most in more than four months and the Japanese yen jumped today as risky assets took a beating, boosting the precious metal. The dollar fell to a one-month low against the yen and stood at 106.03 yen, down about 0.9 percent.
- Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.74 percent to 893.92 tonnes on Friday, the highest since October 2013.
- Speculators raised their net long position in COMEX gold contracts in the week to June 7, and cut their bullish stance in silver, U.S. Commodity Futures Trading Commission data showed.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	227381	82403	73%	120854	284003	30%	49448	31277	61%	384,974
01- Mar-16	223186	70773	76%	115571	287002	29%	51148	36,819	61%	450555
08- Mar-16	252895	78085	76%	116493	311865	27%	53520	32958	62%	499110
15- Mar-16	247659	78147	76%	118610	304141	28%	49810	33791	60%	493086
22- Mar-16	258646	79815	76%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

Crude oil prices stumbled 2.5% lower to the 49.26 per barrel area in the wake of a surprise 3 rig rise in the Baker-Hughes rig count to 328. Of course, equities have resumed their descent as well after a very sharp decline in Europe today. So cause and effect may not be proportional relative to the modest uptick in oil drilling, especially considering from where the rig count has come. Prices moved through support which is now seen as short term resistance at 49.67. Additional resistance is seen near the weekly highs at 51.65. Support is seen near last week's lows at 47.96. Momentum has turned negative as the MACD index generated a sell signal. This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses below the 9-day moving average of the spread. The index moved from positive to negative territory confirming the sell signal.

Pivot:	48.42		
Support	48.00	47.50	47.10
Resistance	49.50	50.00	50.35

Highlights

- Oil prices have surged nearly 90% since dropping to 10-year lows in February as
- Crude oil was benefited following unplanned production outages world-wide and falling output in the U.S.
- Some market participants say the rally could encourage producers to ramp up production, keeping well-supplied
- Baker Hughes Inc. said number of oil rigs in the U.S rose by three in the week ended June 10
- Market participants will be looking at a monthly report from the OPEC

Crude - Technical Indicators

RSI 14	49.84
SMA 20	49.29
SMA 50	46.78
SMA 100	41.48
SMA 200	40.03

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Crude fell a third day after the number of rigs drilling for oil in the U.S. rose for a second week. Futures fell as much as 1.8 percent in New York after dropping 4.2 percent in the previous two sessions. Rigs targeting crude in the U.S. rose by 3 to 328 last week, capping the longest run of weekly gains since August, Baker Hughes Inc. said Friday.
- Iran is seeking to boost output by 600,000 to 700,000 barrels a day over five years from fields in an area west of the Karoun River along the Iraqi border, Oil Minister Bijan Namdar Zanganeh said.
- Oil has surged about 85 percent from a 12-year low in February as the global glut is trimmed by disruptions and a slide in U.S. output, which is under pressure from the Organization of Petroleum Exporting Countries' policy of pumping without limits. New York crude closed above \$51 a barrel on Wednesday at the highest level in more than 10 months.
- The increase in rigs means U.S. production may increase in the latter half of 2016, and that creates a bearish mentality in the market. With oil over \$50 a barrel, there is a deep-rooted view that American shale producers may return.
- West Texas Intermediate for July delivery fell as much 86 cents to \$48.21 a barrel on the New York Mercantile Exchange and was at \$48.57. Total volume traded was 19 percent above the 100-day average. The contract slipped \$1.49 to settle at \$49.07 on Friday.
- While the number of active oil rigs in the U.S. rose for a second week the nation's output is still well below last year's peak, and explorers have idled more than 1,000 drilling machines since the start of last year.
- Iran, the second-biggest producer within OPEC before sanctions were intensified in 2012, will sign its first contract with a foreign company within three months, Seda Weekly magazine reported, citing an interview with Oil Minister Zanganeh.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01- Mar-16	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
08- Mar-16	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
15- Mar-16	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
22- Mar-16	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets broke higher during the course of the week, clearing the top of the hammer from the previous week. This market looks as if it is reaching towards the \$18 level, and it would not surprise me at all to see this market reach during this week to that level. It doesn't mean that it will be the easiest move in the world, I believe that there will be quite a bit of volatility in this market as the US dollar is all over the place right now, and ultimately the US dollar looks very soft. Over the longer term, that is good for the silver markets, and once we can break above the \$18 level it will have completed the complete round-trip from the grind lower over the last year and more. It appears of the US dollar is going to be on its back foot for the longer term, especially considering that the Federal Reserve looks unlikely to raise interest rates in rapid succession as we once believed.

Pivot:	17.13		
Support	16.91	16.65	16.48
Resistance	17.37	17.58	17.80

Highlights

- A range of economic shocks and geopolitical uncertainty are helping to support the price of precious metals
- Recent U.S economic data were not as good as expected
- Silver has failed to keep pace with the rise in the value of gold and remains relatively heavily undervalued
- The Fed is to announce its benchmark interest rate on Wednesday
- Monetary policies in Japan, Switzerland and the U.K will be closely watched

Silver - Technical Indicators

RSI 14	56.67
SMA 20	16.38
SMA 50	16.77
SMA 100	16.04
SMA 200	15.32

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver futures for July delivery rose 6.2 cents, or 0.36% in Friday's trading session to settle at \$17.33 a troy ounce. On the week, silver futures tacked on 96.5 cents, or 5.9%.
- Silver prices finished the week with impressive gains amid fading expectations of a Federal Reserve rate hike in the next couple of months. Investors all but ruled out a rate hike at the Fed's June 14-15 meeting after U.S. employment data earlier this month showed the economy added just 38,000 jobs last month, the smallest increase since September 2010.
- Federal Reserve Chair Janet Yellen said earlier this week that the central bank plans to raise interest rate hikes, but gave no indication on the timing of the rate hikes.
- Prices of the precious metal are up nearly 5% so far in June, after sliding more than 6% a month earlier, as market players reacted to shifting views on the timing of the next U.S. rate hike.
- In the week ahead, investors will be turning their attention to Wednesday's monetary policy announcement by the Fed for clues on the future direction of U.S. interest rates. Monetary policy meetings in Japan, Switzerland and the U.K. will also be closely watched.
- A range of economic shocks and growing global economic and geopolitical uncertainty are helping to support the price of precious metals. A rising gold price can only mean higher silver prices because of their closely correlated relationship.
- Silver has failed to keep pace with the rise in the value of gold and remains relatively heavily undervalued. The end of price manipulation and a declining artificial silver market will help to underpin higher prices. After hitting a high of \$18.02 per ounce earlier this month silver has pulled back by almost 4%.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
23- Feb-16	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01- Mar-16	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
08- Mar-16	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
15- Mar-16	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
22- Mar-16	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Monday, June 13, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Jun 13	02:00	China Industrial Production (YoY) (MAY)	medium	6.0%	6.0%	6.0%
Mon Jun 13	02:00	China Retail Sales (YoY) (MAY)	medium	10.0%	10.1%	10.1%
Mon Jun 13	02:00	China Fixed Assets Ex Rural YTD (YoY) (MAY)	medium	9.6%	10.5%	10.5%
Mon Jun 13	08:00	Switzerland Total Sight Deposits (JUN 10)	low			493.5b
Mon Jun 13	08:00	Switzerland Domestic Sight Deposits (JUN 10)	low			418.2b
Mon Jun 13	12:00	ECB's Hansson Speaks on QE in Estonian Parliament	low			
Mon Jun 13	12:01	New Zealand Manpower Survey (3Q)	low			10%
Mon Jun 13	14:01	Australia Manpower Survey (3Q)	low			6%
Mon Jun 13	22:45	New Zealand Food Prices (MoM) (MAY)	low			0.3%

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

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