

Gold

Technical

Gold prices continued to climb for a 4th straight trading session as Brexit fears continue to rise. Prices came off their highs after testing 1,287 with target resistance seen near the May highs at 1,304. Support on gold prices is seen near the 10-day moving average at 1,245. Momentum is positive as the MACD (moving average convergence divergence) index recently generated a buy signal and is printing in positive territory with an upward sloping trajectory which points to higher prices for the yellow metal. It appears that eight of the last 13 polls that have been included in the FT's poll tracker have the Leave campaign in front, with the tracker itself is now showing that Leave ahead of Remain with 46% support versus 44%. This compares to 45% for Remain and 43% for Leave that was seen on Friday before the latest polls were included.

Pivot:	1,278		
Support	1,272	1,257	1,246
Resistance	1,293	1,303	1,315

Highlights

- Gold inched down today as investors waited for cues from a two-day U.S Federal Reserve meeting beginning later in the day
- Gold fell 0.4 percent to \$1,282.30, but has gained more than 5 percent this month
- Investors have decided to take profits and some of them are staying on the sidelines before taking a decision
- Gold has been driven by rising investor risk aversion before key central bank meetings
- The safe-haven appeal of gold could get a further boost

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 prices rose to a four-week high on Monday, as uncertainty over whether the U.K. will leave the European Union next week troubled investors. Gold for August delivery settled up 0.9% at \$1,286.90 a troy ounce on the Comex division of the New York Mercantile Exchange, closing out its fourth consecutive day of gains and trading at its highest level since May 16.
- The impending referendum in Britain on its possibly leaving the EU, also known as "Brexit," has caused jitters in stock markets world-wide as investors weigh the implications a British exit could have on the global economy. The vote is set to take place June 23.
- As a popular haven asset for investors, gold has become one of the most sensitive asset classes in relation to sentiment around a potential Brexit. Investors are also looking to the Federal Reserve's two-day policy setting meeting of the FOMC, scheduled to start today, for more clues to whether the central bank will raise interest rates this year.
- Although traders have largely written off the chances for a June rate rise, comments from Fed officials may shed light on economic expectations and the timing of future rate increases.
- A weaker dollar helped support gold prices on Monday. The WSJ Dollar Index, which measures the dollar against 16 other currencies, was recently down 0.3% at 86.38. Gold is priced in the U.S. currency and becomes more attractive to foreign buyers as the dollar weakens.
- Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 0.27 percent to 896.30 tonnes on Monday, the highest since October 2013. Gold priced in sterling rose to its highest since September 2013 yesterday. The Fed is set to meet on Tuesday and Wednesday, with market players waiting for clues about when the central bank might next look to move on 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	
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 moved lower on Monday dropping through the 10-day moving average which is former support now resistance at 49.54. Target support on prices is now seen near 47.90. Prices were under pressure following softer than expected Chinese fixed asset investment. Momentum has turned negative as the MACD (moving average convergence divergence) index recently 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 RSI (relative strength index) moved lower with price action reflecting accelerating negative momentum. Chinese Industrial production rose 6% year over year May, matching economists' estimates, according to the National Bureau of Statistics. Retail sales climbed 10% last month.

Pivot:	48.14		
Support	47.76	47.50	47.10
Resistance	49.30	50.00	50.35

Highlights

- Oil prices inched down to a one-week low after another day of losses connected with signs of increasing U.S. supply
- The market had been taking sharp losses since Friday
- Baker Hughes Inc. said the number of rigs drilling for oil in the U.S. rose for a second-straight week
- U.S. oil has lost 4.6% since Wednesday's settlement, its sharpest pullback since early May
- Oil prices are up by more than 80% from a decade low earlier this year

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

- Oil fell today as investor nervousness over next week's vote on Britain's possible European Union exit swept financial markets, eclipsing signs of a return to health for crude prices.
- Perceived safe-haven assets such as the Swiss franc and German Bunds rallied, while industrial commodities and equity markets, seen as more vulnerable to economic risk, fell after polls showed Britain's "Leave" campaign leading before a referendum on EU membership.
- This overshadowed a more upbeat forecast for oil demand growth from the International Energy Agency, which said the oil market is essentially balanced after two years of surpluses.
- U.S. crude futures lost 77 cents to \$48.11 a barrel. If the UK leaves the EU, then the EU might slip back into recession and that might negatively impact oil demand. Britain's "Out" campaign has increased its lead over the "In" camp before the June 23 referendum.
- The risk-off mood that has been pervasive in the markets in the last few days has taken hold of oil prices, with weakness in Asian markets and a strong dollar contributing to crude dripping back below \$49.
- Reflecting the extreme nervousness among investors over the prospect of a vote to leave the EU, dubbed "Brexit", volatility in the pound spiked to its highest in at least 20 years, rising even beyond the heights seen when U.S. investment bank Lehman Brothers collapsed in late 2008.
- Concerns about Chinese growth are also weighing on sentiment, enough to set aside bullish signs such as a U.S. government forecast on Monday that shale oil output is expected to fall in July for the seventh consecutive month. OPEC forecast on Monday that the world oil market would be more balanced in the second half of 2016.

US Commodity Futures Trading Commission (CFTC) Data

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	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

The silver market went back and forth during the course of the day on Monday, ultimately forming a little bit of a hammer. Because of this, it looks as if the silver markets are going to continue to try to grind higher, and that pullbacks should be buying opportunities based upon value as there is certainly quite a bit of bullish pressure underneath and therefore it's hard to imagine that selling will have any significant length to the move, and at this point in time I fully expect this market to reach towards the \$18 handle. Short-term resistance comes in at 17.35 and then by way of several inflection points surrounding 17.55. Beyond that point there is no substantial price resistance until the April peak at 17.99. Support comes in the form of an upper parallel which didn't prove to be pivotal as resistance, but is so far acting as support. More important support lies in the 16.70/90 vicinity.

Pivot:	17.28		
Support	17.07	16.91	16.65
Resistance	17.65	17.80	18.00

Highlights

- As last week's silver price action demonstrated, the correlation between the dollar and metals has been strange
- The white metal opened at \$16.39, but moved only slightly higher on the back of a weakening U.S Dollar Index
- The market's looking forward to this week's FOMC meeting
- After the U.S jobs report, the markets seem to think the Fed won't raise interest rates
- Investors will be looking forward to the third macro issue – the Brexit vote on June 23

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



Fundamentals

- Silver has been capitalizing on the market's risk-off approach to trading as uncertainty runs rampant in both Europe and the US. Specifically, as the UK Brexit referendum and the US FOMC meeting inch closer, the market has been retreating to Gold and Silver.
- Consequently, the two metals have been recovering strongly as the important dates draw nearer. However, for Silver at least, recent gains could once again be dashed if the Fed follows through with its hawkish rhetoric.
- Fundamental results will be vital this week in seeing the potential double top complete. Namely, the FOMC meeting will be pivotal as if the recent talk of a rate hike proves to be more than just talk. The swell of USD sentiment could easily see Silver plummet.
- Silver's fate remains as uncertain as the outcome of the Brexit referendum and the FOMC meeting. However, the still-forming double top pattern and other technical indicators could be giving a signal that the metal could be exposed to more downside potential than other commodities.
- Consequently, keep a keen eye on this week's FOMC meeting as it could be the push that sends silver all the way back to the 15.00 handle. The rally in silver prices over the past few sessions has been impressive, so much so it pushed one of our favorite momentum measures into unusually high territory.
- At this time, after dipping to start the week off in Asia, silver is trading at the same price levels as it was on Thursday – the chop has begun, and should continue in the very near-term, but with a bullish twist.
- The up-move which started at the beginning of the month could be the next leg higher when looking at the broader picture, but we will need to first see how the market handles the current rally. While speculative longs are still holding quite a large net long position.

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

Tuesday, June 14, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Jun 14	13:30	GBP Consumer Price Index (YoY) (MAY)	high	0.3%	0.4%	0.3%
Tue Jun 14	13:30	GBP Retail Price Index (YoY) (MAY)	low	1.4%	1.5%	1.3%
Tue Jun 14	14:00	EUR Euro-Zone Industrial Production w.d.a. (YoY) (APR)	medium	2.0%	1.4%	0.2%
Tue Jun 14	14:00	EUR Euro-Zone Employment (YoY) (1Q)	low	1.4%		1.2%
Tue Jun 14	15:00	USD NFIB Small Business Optimism (MAY)	low		93.5	93.6
Tue Jun 14	17:30	USD Advance Retail Sales (MAY)	high		0.3%	1.3%
Tue Jun 14	17:30	USD Retail Sales Less Autos (MAY)	medium		0.4%	0.8%
Tue Jun 14	17:30	USD Retail Sales Control Group (MAY)	medium		0.3%	0.9%
Tue Jun 14	19:00	USD Business Inventories (APR)	medium		0.2%	0.4%

Source: Forex Factory, DailyFX

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