

Gold

Technical

Gold prices gapped higher on Monday after closing lower but off its highs on Friday. Prices closed the North American trading session on their lows, despite risk aversion that led investors scrambling for a safe haven. The UK referendum vote on Friday has generated uncertain which continues to spill over into gold prices. Resistance on the yellow metal is seen near Friday's highs at 1,358, while support is seen near the 10-day moving average at 1,289. Support on the yellow metal is seen near the 10-day moving average at 1,288. Momentum has turned positive as the MACD index 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. The index moved from negative to positive territory confirming the buy signal on gold prices.

Pivot:	1,313		
Support	1,294	1,271	1,250
Resistance	1,335	1,368	1,393

Highlights

- Gold prices declined today, falling for the first time in three sessions
- Investors locked in gains after futures climbed to the highest level since July 2014 in wake of last week's Brexit shock
- Gold for August delivery shed \$4.95, or 0.37%, to trade at \$1,319.95 a troy ounce
- Prices of the yellow metal surged to a 27-month peak of \$1,362.60 last Friday after a shock U.K. vote to exit the EU
- The precious metal is up almost 25% for the year to date

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 fell today as investors booked profits, two days after the yellow metal rallied to its highest since March 2014 thanks to safe-haven demand in the wake of Britain's decision to exit the European Union.
- Gold soared as much as 8 percent to \$1,358.20 on Friday, the highest since March 2014, and had ended up 4.8 percent, its biggest one-day gain since January 2009 as the British vote drove investors toward safer assets.
- Investors, however, scooped up beaten down assets on Tuesday as sterling and Asian emerging market currencies regained some footing and crude oil bounced, bringing down the demand for gold. The safe haven asset is often perceived as a hedge against economic risk.
- Spot gold was down 0.7 percent to \$1,315.16 an ounce. It rose 0.7 percent yesterday. U.S. gold slipped 0.5 percent at \$1,318.50. "So far it has mainly been Chinese selling. They have been good sellers the whole way up, especially when we passed \$1,300. We continue to see decent selling from them," said MKS Group trader Alex Thorndike.
- It seems like the market is pausing here a bit now considering the moves we have seen since Friday. But in a couple of weeks I think we could see prices in the \$1,375-\$1,400 range.
- British bank Standard Chartered, however, said the gold rally has lost its momentum and it would be difficult for the metal to float above \$1,300 an ounce. Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose 1.40 percent to 947.38 tonnes, the highest since July 2013.
- Once the immediate short-run rush to safety subsides and assuming effective policy responses to allay capital market concerns, we think gold will struggle to stay above \$1,300/oz during Q3, and will push back down towards USD 1,250/oz.

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

The WTI Crude Oil market had slightly negative day yesterday. Crude held above last week's post-Brexit lows, basing at 45.90, before bouncing to 47.96 in London, and retreating once again to new intraday lows. Target support is now seen near the 200-day moving average at Dollar strength and risk-off conditions should keep pressure on the contract for now, though the supply/demand equation is expected to offset some, as U.S. gasoline demand continues to rise, and is at all-time highs over the past month, according to EIA data. Resistance is seen near the 10-day moving average at 48.39. Momentum remains negative as the MACD (moving average convergence divergence) printing in the red with a downward sloping trajectory which points to lower prices. The RSI (relative strength index) moved lower with price action reflecting accelerating negative momentum.

Pivot:	46.95		
Support	45.90	45.10	44.35
Resistance	47.95	49.10	50.56

Highlights

- Oil prices rose as investors took advantage of a two-day slide in crude following Britain's vote to leave the European Union
- The vote result sent global stocks and currencies spiralling down, though oil price losses were relatively limited
- A looming strike at several Norwegian oil and gas fields also helped support prices
- U.S WTI futures were also 2.3 percent higher, up \$1.06 at \$47.39 a barrel
- Oil fell more than 7 percent to seven-week lows in the previous two sessions

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 prices had their largest back-to-back losses by percentage since February as a stronger dollar and haven-seeking investors Monday kept pushing crude into a retreat after Friday's unexpected choice from U.K. voters to leave the European Union.
- U.S. crude oil for August delivery settled down \$1.31, or 2.7%, at \$46.33 a barrel on the New York Mercantile Exchange. its lowest settlement since May 10. U.S oil also briefly traded at lows not seen since mid-May before a sharp rebound just before settlement.
- Oil has been caught in a broader downdraft shocking commodities, stocks and many currencies since Britain's decision to exit the EU, known as "Brexit," surprised investors.
- The vote has shaken investors' confidence in the stability of the global economy and financial system, pushing them out of riskier assets and into traditional havens like gold and the U.S. dollar, analysts say.
- The pound fell further on Monday and sent the U.S. dollar soaring. The Dollar Index, which tracks the greenback against a basket of other currencies, recently gained 1.1%. A stronger greenback makes oil more expensive for traders using other currencies, typically pushing prices down.
- The fall is likely exacerbated by how hard investors had been betting on rising prices, traders and a broker said. Oil has had its sharpest rally since the financial crisis, nearly doubling in price since late February as traders bet supply outages around the world and lower U.S. output were easing a huge glut.
- The impact on industrial commodity fundamentals of a leave vote is extremely small from the demand side. On the supply side, a stronger dollar would lower the cost of production, which has likely been priced into markets with Friday's selloff."

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 day on Monday, but as you can see gave back a bit of the gains just below the vital \$18 level. By doing so, we ended up forming a bit of a shooting star and that of course is a negative sign. Ultimately though, it does look as if the bullish are still much more enthusiastic than the bearish, so a pullback at this point that shows any signs of support could be thought of as value. A break above the top of the shooting star for the session, and of course the \$18 level, would be a very strong sign. In the very short-term, silver is seeing action around the 17.60/62 level as support. A series of short-term lower highs is developing beneath the earlier noted resistance zone between 17.80 and 18. The price sequence of lower highs and flat bottom support is taking the shape of a descending wedge. A break below 17.60 would confirm bias towards lower prices.

Pivot:	17.65		
Support	17.43	17.16	16.90
Resistance	17.77	18.00	18.32

Highlights

- The silver price saw a huge rally late last week thanks to arguably the biggest referendum in European history
- On the Comex, silver futures for August delivery dipped 2.6 cents, or 0.15%, to trade at \$17.74 a troy ounce
- In the U.S, data due today includes the third look at first quarter GDP, expected to rise to 1%.
- After a U.K vote to exit the EU sent investors flooding into safe haven assets
- The silver price saw a huge rally late last week

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

- Silver futures for August delivery dipped 2.6 cents, or 0.15%, to trade at \$17.74 a troy ounce during morning hours as investors locked in gains after futures climbed to the highest level since July 2014 in wake of last week's Brexit shock.
- The news raised concerns that other countries might leave the union and that global growth would come under significant pressure, while the actual timeframe of the U.K. departure from the EU remained unclear.
- In the latest blow for the U.K., ratings agency Standard & Poor's announced Monday that it had lowered the U.K.'s sovereign credit rating from "AAA" to "AA," citing last week's referendum. Meanwhile Fitch lowered its rating from AA+ to AA with a negative outlook.
- In the U.S, data due today includes the third look at first quarter GDP, expected to rise to 1%. There are also S&P/Case Shiller home prices, followed by consumer confidence data.
- The silver price saw a huge rally late last week thanks to arguably the biggest referendum in European history. By now, you know the Brexit vote is over and Britons have chosen to leave the EU. Despite possible volatility ahead, the Brexit aftermath doesn't diminish the potential for stronger silver prices.
- The reaction was a classic "risk off/safety on" trade. Worldwide stock markets tanked, while the U.S. dollar, gold, and silver prices rose sharply. Economists thought the "Remain" side would win, even if by a slim margin. Analysts expected Britons to stay with the status quo to avoid "rocking the boat." Many are already saying they regret voting to leave.
- Silver prices started last week with a solid jump. The metal bounced from \$17.30 to \$17.50 in early morning trading, but it fell back to \$17.33 by market open. By the end of the day, the silver price had gained it back then climbed 0.6% higher to settle at \$17.57.

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

Tuesday, June 28, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Jun 28	11:00	EUR German Import Price Index (YoY) (MAY)	Low		-5.8%	-6.6%
Tue Jun 28	13:00	EUR ECB President Draghi Speaks in Sintra, Portugal	High			
Tue Jun 28	13:00	EUR EU Parliament to Vote on Resolution on U.K. Referendum	High			
Tue Jun 28	14:00	BOE Holds Third Additional ITLR Operation Around EU Referendum	Medium			
Tue Jun 28	17:30	USD Gross Domestic Product (Annualized) (1Q)	Medium		1.0%	0.8%
Tue Jun 28	17:30	USD Personal Consumption (1Q)	Medium		2.0%	1.9%
Tue Jun 28	18:00	USD S&P/Case-Shiller Composite-20 (YoY) (APR)	Medium		5.46%	5.43%
Tue Jun 28	18:00	USD S&P/Case-Shiller US Home Price Index (YoY) (APR)	Medium			5.15%
Tue Jun 28	19:00	USD Consumer Confidence (JUN)	High		93.4	92.6

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