

Gold

Technical

Gold prices edged lower forming a bull flag pattern as U.S. consumer confidence surged which reduce the value of the yellow metal. Support on gold prices is seen near the 10-day moving average at 1,291, while resistance is seen near last week's highs at 1,358. Momentum is positive as the MACD (moving average convergence divergence) index prints in the black with an upward sloping trajectory which points to higher prices. U.S. consumer confidence surged 5.6 points to 98.0 in June after falling 2.3 points to 92.4 in May. It's the highest since October and was 99.8 a year ago. The sentiment index had generally been on the slide since hitting 97.8 in January, in part due to the energy sector recession. Strength was broad-based. The present situation index rose to 118.3 from 113.2. The expectations component improved to 84.5 from 78.5.

Pivot:	1,318		
Support	1,305	1,294	1,272
Resistance	1,232	1,345	1,359

Highlights

- Gold rebounded today in Asian session from its losses in the previous session on investor demands for safety
- Uncertainty due to Brexit vote continued to pressure financial markets
- Bullion fell 0.9 percent yesterday as investors booked profits
- European leaders have asked Britain to act quickly to resolve the political and economic confusion unleashed by its vote to exit
- Britain's vote to leave the bloc could pose a new drag on the U.S economy

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 more than 1 percent yesterday as buyers cashed in gains from the biggest two-day rally since late 2008 after Britain's voted last week to quit the European Union.
- The metal jumped to its highest in more than two years at \$1,358.20 an ounce on Friday after the referendum on EU membership, and to more than three-year highs in euro and sterling terms, but quickly retreated from that peak.
- Spot gold was down 1.2 percent at \$1,308.96 an ounce yesterday, with US gold futures for August delivery down \$12 at \$1,312.70. On the flip side, European shares bounced from their three-day decline, gaining 2.5 percent on hopes of a more co-ordinated central bank response to financial market losses.
- Equities are showing some signs of stabilisation, and gold is really a mirror image of what the equity markets are doing. Among currencies, sterling rose from 31-year lows against the dollar while the euro climbed half a percent against the US currency.
- Investors also sought lower-rated euro zone bonds on Tuesday, venturing from the safety of German benchmarks as they bet on action from the European Central Bank to shore up the bloc after the Brexit vote.
- Once the immediate short-run rush to safety subsides, and assuming effective policy responses to allay capital market concerns, economists think gold will struggle to stay above \$1,300 an ounce during Q3 and will push back down towards \$1,250.
- Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, climbed by another 13 tonnes on Monday to 947.38 tonnes, the highest since July 2013. Bullion fell after its biggest two-day surge in seven years as European and U.S. equities and the pound climbed for the first time since the U.K. voted to leave the European Union.

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

Oil rose yesterday, bouncing from the recent selloff. However, WTI Crude Oil could not hang onto gains and therefore it looks as if the rally is going to be fairly uneventful. After all, as you can see in the video, the market looks as if it's struggling at the 50 day exponential moving average, pictured in red. It seems as if we are going to press below the \$46 level if price can build up momentum. At this point, there is a significant "risk off" attitude when it comes to the market so buying long term positions oil contracts will be a risky decision. It has been a nice uptrend for a while, but over the last couple of weeks we've turned more into a sideways market, and with the result of Brexit we could find Oil prices setting up for a fall. On a break below \$46, we can call a bearish sentiment. If we did manage to break above the top of the last couple of sessions, buying and aiming for the \$50 handle.

Pivot:	48.16		
Support	46.82	45.90	45.10
Resistance	49.10	50.00	50.56

Highlights

- Oil prices rose yesterday, pushed higher by the threat of union strikes by Norwegian oil and gas workers
- U.S crude for August delivery settled up \$1.52, or 3.3%, at \$47.85 a barrel
- Oil prices have rallied since the first quarter on anticipation that the global glut of crude is due to declining production
- Up to 7,500 Norwegian oil and gas workers could go on strike starting Saturday
- Norway produced 1.96 million barrels a day in May, or about 2.1% of the world's oil output

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 rose in today's Asian trading session as financial traders poured money back into commodities following the initial shock of Britain's vote to leave the European Union, and as a potential strike in Norway and crisis in Venezuela threatened to cut supply.
- Brent crude futures were trading at \$48.95 per barrel up 37 cents from their last settlement. U.S crude was had climbed 44 cents to \$48.29 a barrel. Both oil benchmarks gained yesterday after markets shook off some of the shock from the referendum in Britain in which most voters chose to exit the EU.
- The risk-on tone should see commodities continue to push higher. Oil led the commodities sector as the shock of the UK voting to leave the EU wore off. Oil gains were solidified by news that the decline in Venezuela's oil output appears to be accelerating, while a strike in Norway also looked like it would impact production
- Standard Chartered said that it expected oil prices to return to \$50 per barrel rapidly after the Brexit-related fall as the referendum's impact on demand was limited.
- On the supply side, a looming strike by Norwegian oil workers threatened to cut output from the biggest North Sea producer. In crisis-struck Venezuela, oil producers and refiners were struggling to keep output up due to power outages and equipment shortages, also supporting prices.
- Additionally, the American Petroleum Institute (API) indicated in a report yesterday that U.S. crude inventories fell nearly 4 million barrels for the week to June 24, some two-thirds more than the 2.4 million barrels expected.
- The U.S. Energy Information Administration will issue official stockpile data on Wednesday. Despite the tightening supply-side, there are concerns that a looming refined products glut especially in Asia.

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 went back and forth during the course of the session on Tuesday, as we continue to bounce around the \$17.80 level. We did find a bit of support at the \$17.50 level though, and as a result I still believe that this market has plenty of buyers. We will eventually break out to the upside is my guess, but I expect a lot of volatility in the meantime. Given enough time, and a move above the \$18 level, I feel that the market has the real possibility of becoming a “buy-and-hold” situation. It might not turn into a rout, but a clean undercut into the upper 17.50s on the hourly should lead to near-term weakness towards 17.30/25. If selling becomes aggressive then a move could develop into strong support between 17.07 and 17.13. A convincing break of the top-side trend-line puts this view at risk but again, there isn’t much room for silver to run before running aground with resistance.

Pivot:	18.00		
Support	17.70	17.49	17.37
Resistance	18.15	18.32	18.45

Highlights

- Once the panic over the referendum settles, so should the price of precious metals, but silver is still expected to have a great year.
- In the past five months the purchase of silver coins from the U.S. Mint has increased over 40%
- Some analysts think silver is headed toward the next major bull run, where silver could double in value.
- Investors sought out lower-rated euro zone bonds yesterday
- Global equities are showing some signs of stabilization

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

- Spot silver gained 2.5 percent to \$18.20 per ounce and tread close to Friday's one-and-half-year high of \$18.31 on investor demands as uncertainty due to Brexit vote continued to pressure financial markets.
- Precious metals also benefited from concerns of uncertainty across financial markets in the aftermath of Britain's vote to exit the European Union continued to burnish the metal's safe-haven appeal.
- Institutional and retail investors have piled into precious metals following Britain's shock vote to exit the European Union. European leaders have asked Britain to act quickly to resolve the political and economic confusion unleashed by its vote to exit the European Union, after the IMF said the uncertainty could pressure global economic growth.
- Britain's vote to leave the bloc could pose a new drag on the U.S. economy at a time when momentum in the U.S. job market may already be slowing, Federal Reserve governor Jerome Powell said.
- The british pound and the euro hovered above their post-Brexit lows as a brief short-covering spell lent a semblance of stability to the battered European currencies, though they remained hampered by longer-term uncertainty.
- Japan's retail sales fell more than expected in May in a third straight month of annual declines, keeping policymakers under pressure for more stimulus to support a fragile economic recovery.
- Chanin said two-thirds of silver produced are coming from industrial demand and noted that silver price is two-thirds off all-time highs. Precious metals as a whole look cheaper in this scenario, even as investors look for gold and silver as safe plays in post-Brexit uncertainty. Precious metals are some of the safe-havens that investors turn to in times of economic troubles and the post-Brexit world that we're living in is no exception.

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

Wednesday, June 29, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Jun 29	11:00	EUR German GfK Consumer Confidence Survey (JUL)	Medium		9.8	9.8
Wed Jun 29	13:30	GBP Net Consumer Credit (MAY)	Medium		1.5B	1.294b
Wed Jun 29	16:00	USD MBA Mortgage Applications (JUN 24)	Medium			
Wed Jun 29	17:00	EUR German Consumer Price Index (YoY) (JUN P)	High		0.3%	0.1%
Wed Jun 29	17:30	USD Personal Income (MAY)	Medium		0.3%	0.4%
Wed Jun 29	17:30	USD Personal Spending (MAY)	Medium		0.4%	1.0%
Wed Jun 29	17:30	USD Personal Consumption Expenditure Core (YoY) (MAY)	High		1.6%	1.6%
Wed Jun 29	19:00	USD Pending Home Sales (YoY) (MAY)	Medium		4.6%	2.9%
Wed Jun 29	19:30	USD DOE U.S. Crude Oil Inventories (JUN 24)	Medium		-2500k	-917k

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