

Gold

Technical

Gold prices edged lower following a stronger than expected U.S. retail sales figure which boosted the dollar and generated headwinds for gold prices. Support on the yellow metal is seen near the May lows at 1,199, while resistance is seen near the 10-day moving average at 1,267. 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. U.S. retail sales climbed 0.8% in October, and rose 0.8% excluding autos, both stronger than forecast. The prior two months were also revised higher. The 0.6% September headline gain was bumped up to 1.0%. The 0.5% September ex-auto increase was revised up to 0.7%. Retail sales excluding autos rose 0.6%.

Pivot:	1,227		
Support	1,211	1,200	1,184
Resistance	1,238	1,251	1,270

Highlights

- Gold futures yesterday rebounded from their lowest levels since June
- The surge in Treasury yields paused and a rally in the U.S dollar calmed, prompting prices to post their first gain in seven sessions
- Gold futures for December delivery rose \$2.80, or 0.2%, to settle at \$1,224.50
- U.S. Dollar Index a measure of the greenback's performance against six rivals, edged up 0.1% to 100.22
- Looking ahead, the Fed is scheduled to make its announcement on monetary policy on Dec. 14

Gold - Technical Indicators

RSI 14	29.07
SMA 20	1,361.96
SMA 50	1,299.70
SMA 100	1,320.14
SMA 200	1,287.88

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices today held gains made in the previous session as the U.S. dollar weakened, but lacked impetus to push higher on increased odds of an interest rate hike by the Federal Reserve.
- Spot gold was up 0.14 percent at \$1,229.36 an ounce, after rising 0.67 percent in the previous session. U.S gold futures rose 0.41 percent to \$1,229.50. At this moment there is some kind of rebound but \$1,230 should be the immediate resistance level that it should not cross with a very high momentum.
- \$1,215 to \$1,250 should be the trading range just to allow some time for people to think and reflect on the possibilities of policy options for the President-elect. Trump's election to the U.S. presidency sent bond yields surging to 2016 highs this week, pushing the U.S. dollar to an 11-month peak against a basket of major currencies yesterday, as investors bet his administration's policies would stoke inflation.
- Today the dollar index, which measures the greenback against a basket of major currencies, slipped back 0.26 percent at 99.965. A slightly weaker U.S. dollar also helped improve investor sentiment.
- However, the dollar still held near its 11-month high hit, though, after upbeat U.S. data gave the greenback fresh impetus. Stronger-than-expected U.S. retail sales data in October pointed to sustained economic strength that could allow the Fed to raise interest rates next month.
- Fed Governor Daniel Tarullo yesterday said Trump's election already may be pushing up interest rates and tightening financial markets, something the Fed will have to monitor as it decides how quickly to tighten monetary policy.
- Spot gold may test a resistance at \$1,235 per ounce, a break above which could lead to a further gain to the next resistance at \$1,249. PDR Gold Trust, said its holdings fell 0.16 percent to 927.45 tonnes from 928.93 tonnes.

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 rallied during the session on Tuesday, as we reach towards the \$45 level. Because of this, we are testing significant resistance, and with that being the case, I'm simply waiting for an exhaustive candle in order to start selling again. The previous uptrend line should continue to be resistive as well, and I believe that the market should then reach down to the \$43 level after that. An exhaustive candle is exactly what I need to see, so at this point in time I am waiting for that signal and will be sitting on the sidelines as I anticipate quite a bit of volatility. This will be especially true considering that the Crude Oil Inventories number comes out today, and with this we could get a little bit more clarity going forward. Ultimately, I still believe in the bearish picture. The RSI (relative strength index) moved higher with price action reflecting accelerating positive momentum.

Pivot:	45.57		
Support	44.85	44.25	43.60
Resistance	46.45	46.90	47.30

Highlights

- Oil jumped nearly 6 percent yesterday, bouncing back from multi-month lows
- There are expectations that OPEC will agree later this month to cut production to reduce a supply glut
- U.S crude settled up \$2.49 a barrel, or 5.8 percent, at \$45.81. It reached a three-month low of \$42.20 on Monday
- The market is now seeing increased chances of an OPEC production cut
- There is doubtless considerable pressure to take action, as the oversupply will not reduce itself

Crude - Technical Indicators

RSI 14	50.58
SMA 20	50.32
SMA 50	47.39
SMA 100	46.24
SMA 200	45.08

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell today, returning some of the gains made in one of the year's biggest rallies a day earlier, after industry data showed U.S. crude stocks rose beyond expectations last week to add to an oversupplied market.
- U.S crude was 47 cents lower at \$45.34 a barrel. Prices are down on the build in U.S. crude oil stocks reported by the API last night. Weekly U.S. crude oil stocks surged by 3.6 million barrels last week, the American Petroleum Institute (API) industry group said, exceeding analyst expectations of a 1.5-million-barrel rise.
- The news dampened a rally infused by news that OPEC members were meeting ahead of an official group gathering on Nov. 30 to build consensus for a deal to limit production, and by oil pipeline attacks by militants in Nigeria.
- A number of energy ministers from OPEC countries are likely to meet informally in Doha on Friday to try to build consensus over decisions taken by the full group in September in Algiers, an Algerian energy source said.
- We estimate the possibility of an actual OPEC production cut as 50-50. If OPEC would stick to its intention to set its production ceiling at 32.5 million barrels a day, or even lower, market optimism will likely pick up, which could be supportive for oil prices.
- The Dutch bank lowered its oil price forecasts today, expecting U.S. crude to average \$50 a barrel in the fourth quarter. Saudi Energy Minister Khalid al-Falih is expected to travel to the Qatari capital, Doha, this week for meetings with oil-producing countries on the sidelines of an energy forum, sources familiar with the matter told Reuters.
- The Organization of the Petroleum Exporting Countries is due to meet on Nov. 30 to agree to limit output. An outline deal was reached in September but negotiations on the detail are proving difficult, officials say.

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 on Tuesday in order to hover the \$17 level. This is an area that has quite a bit of a psychological importance, so a bounce from here could be a nice buying opportunity for the short-term, but I also believe that the \$17.50 level above is massively resistive. With this, we might have a bit of a “two speed” market ahead of us, so having said that I think that one thing you can count on at this point is going to be massive volatility over the next several sessions. If silver were to get a bump back above the October low, the trend and congestion from the October triangle should keep a lid on the metal on any minor advance above. At this time, the 17.30/90 region looks to be about as far as a bounce could carry before finding sellers again. For now, we will focus on the short-side of the tape until further evidence suggests the current downdraft is over.

Pivot:	17.02		
Support	16.60	16.27	16.03
Resistance	17.45	17.73	18.00

Highlights

- There was some resilience in commodity currencies yesterday, which helped underpin silver prices
- Silver prices fluctuated around the \$17.00 per ounce in yesterday's session
- The strong dollar had a very important impact on silver prices yesterday
- The US retail sales data was stronger than expected with an October gain of 0.8% compared with expectations of a 0.6%
- New York Empire index and the increase in import prices was also slightly higher than expected

Silver - Technical Indicators

RSI 14	43.08
SMA 20	17.58
SMA 50	18.56
SMA 100	19.18
SMA 200	17.82

Silver Daily Graph



Fundamentals

- Silver prices rose slightly yesterday, but continued to trade at five-month lows following a two-day rout in precious metals. December silver futures advanced 4 cents, or 0.2%, to \$16.93 a troy ounce. The grey metal traded within a narrow range of \$16.89 and \$17.10.
- Silver plunged 10% on Friday and Monday combined, as post-election euphoria sent US stocks and the dollar sharply higher. The metal is now trading 18% below its 2016 high near \$21 a troy ounce.
- The US dollar reached one-year highs against a basket of currencies Monday, as traders raised their expectations for a December rate hike. The dollar index closed above 100 for the first time this year. By Tuesday, it was down 0.2% to 99.88.
- The markets now believe there is a nearly 86% chance the Fed raises interest rates next month, according to the 30-day Fed Fund futures prices. Global equity markets were mixed on Tuesday, as investors awaited fresh trading catalysts. US stock futures were up only slightly in pre-market activity after finishing mixed-to-higher on Monday.
- In economic data, Eurozone gross domestic product (GDP) expanded 0.3% in the third quarter, unchanged from the April-June period, the European Commission's statistics branch reported Tuesday. Germany, the currency bloc's largest economy, saw quarterly growth of just 0.2%, down from 0.4% in the second quarter.
- Silver prices fluctuated around the \$17.00 per ounce area during Asian and European trading yesterday with some pressure for a correction after sharp losses over the previous few sessions. The latest COT positioning data recorded a second successive increase in non-commercial long silver positions to just over 65,000 from above 62,000 the previous week.

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, November 16, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Nov 16	14:30	GBP Claimant Count Rate (OCT)	Medium	2.3%	2.3%	2.3%
Wed Nov 16	14:30	GBP Jobless Claims Change (OCT)	Medium	9.8k	2.0k	5.6k
Wed Nov 16	14:30	GBP Average Weekly Earnings (3M/YoY) (SEP)	Medium	2.3%	2.4%	2.3%
Wed Nov 16	15:00	CHF ZEW Survey (Expectations) (NOV)	Medium	8.9		5.2
Wed Nov 16	17:00	USD MBA Mortgage Applications (NOV 11)	Medium			
Wed Nov 16	18:30	USD PPI Final Demand (YoY) (OCT)	Low		1.2%	0.7%
Wed Nov 16	19:15	USD Industrial Production (OCT)	Medium		0.2%	0.1%
Wed Nov 16	20:00	USD NAHB Housing Market Index (NOV)	Medium		63	63
Wed Nov 16	20:30	USD DOE U.S. Crude Oil Inventories (NOV 11)	Medium		500k	

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

Zaeem Haider Khan	(Head of Commodity)	Cell: 0321-4772883	Tel: (+92-42) 35777863-70	zaeem.haider@igi.com.pk
Syed Zeeshan Kazmi	(Assistant Manager)	Cell: 0321-4499228	Tel: (+92-42) 35777863-70	zeeshan.kazmi@igi.com.pk
Ehsan Ull Haq	(Commodity Trader - Lahore)	Cell: 0321-4861015	Tel: (+92-42) 35777863-70	ehsan.haq@igi.com.pk
Muhammad Naveed	(Branch Manager - Islamabad)	Cell: 0345-5599900	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Gul Hussain	(Branch Manager - Faisalabad)	Cell: 0344-7770878	Tel: (+92-41) 2540843-45	gul.hussain@igi.com.pk
Asif Saleem	(Branch Manager - Rahim Yar Khan)	Cell: 0334-7358050	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	(Branch Manager - Multan)	Cell: 0300-6348471	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk
Zeeshan Kayani	(Branch Manager - Abbottabad)	Cell: 0333-5061009	Tel: (+92-992) 408243-44	zeeshan.kayani@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of
Pakistan 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-FC.C Ground Floor, Syed Maratib Ali Road,
Gulberg II, Lahore.
Tel :(+92-42) 95777863-70, 35876075-76
Fax :(+92-42) 35763542

Islamabad Office

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

Faisalabad Office

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

Stock Exchange Office

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

Rahim Yar Khan Office

Plot #: 12, Basement of Khalid Market,
Model Town, Town Hall Road,
Rahim Yar Khan
Tel: (+92-68) 5871652-6
Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road, Multan
Tel: (+92-992) 408243-44

Abbottabad Office

Ground Floor, Al Fatah Shopping Center,
Opp. Radio Station, Mandehra Road,
Abbottabad
Tel: (+92-99) 2408243-44