

Gold

Technical

The gold markets rally during the Thursday session, testing the \$1240 level. If we can break above the top of the range, it will more than likely send this market looking for the \$1260 level, and above there as well. Pullbacks should continue to offer value as the US dollars starting to weaken. We believe that the \$1200 level below is essentially the “floor” in this marketplace at the moment. Because of this, we are very bullish and we feel it’s only a matter of time before we rally all the way up to the recent highs, and of course break out and go further than that. Initial resistance comes at 1,245.00, which represents last week’s high, support is seen near the 10-day moving average at 1,226. Momentum remains negative with the MACD index printing in the red with a downward sloping trajectory.

Pivot:	1,236		
Support	1,234	1,228	1,220
Resistance	1,244	1,249	1,255

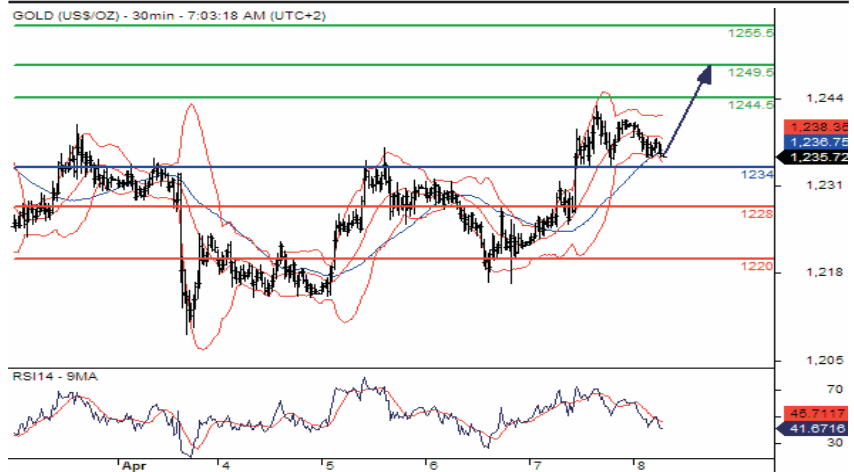
Highlights

- Gold prices finished sharply higher yesterday, coinciding with a meltdown for the U.S. dollar against the yen
- Fed is taking a cautious approach to future interest-rate hikes
- June gold closed up \$13.70, or 1.1%, to \$1,237.50 an ounce, after closing on Wednesday down 0.5%, to \$1,223.80 an ounce
- Heightened global risks are clearly being attributed greater weight
- The FOMC conveyed a sense that there’s no harmony among the Fed policy makers

Gold - Technical Indicators

RSI 14	51.80
SMA 20	1,234.14
SMA 50	1,229.69
SMA 100	1,158.36
SMA 200	1,140.12

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold eased from a two-week high in today’s session, giving back some of its sharp overnight gains, but was set to post its strongest week in five on the Federal Reserve’s caution over raising U.S. interest rates and risk-off sentiment in the market.
- Asian shares extended losses to three-week lows today after bank stocks slumped globally, while the yen soared to a 17-month high against the dollar. Spot gold had eased 0.3 percent to \$1,236.60 an ounce on profit taking after its 1.5 percent gain overnight. The metal had hit a two-week high of \$1,243.50 in the previous session.
- For the week, the metal has gained 1.2 percent, its biggest gain since the week ended March 4. Risk appetite waned with renewed concern over the power of monetary policy. A weaker U.S. equity market lent support to global volatility and put gold again at centre stage for investors.
- Bank shares led losses in Europe and the U.S. markets yesterday, amid talk of more lay-offs and cutbacks planned by Europe’s major lenders as they struggle with zero rates.
- The dollar was hurt by a cautious Fed tone on interest rate hikes. Minutes from the Fed’s March policy meeting released on Wednesday showed policymakers debated whether an interest rate hike would be needed in April, although a consensus emerged that risks from a global economic slowdown warranted a cautious approach.
- A slower pace in hiking rates would boost non-interest-paying gold, while hurting the dollar. Gold gained 16 percent in the first quarter of the year, its best quarterly performance in nearly 30 years, on speculation the Fed may delay hiking rates. Markets were closely watching comments from Fed officials for clues about the timing of any rate hikes.

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

The WTI Crude Oil market initially rallied during the course of the session on Thursday, but struggled above the \$38 level in turn right back around form a bit of a shooting star. The shooting star of course is a negative sign, and therefore the market could drop down towards the \$34 level. Given enough time, the crude oil could even break down below there, and the fact that we have formed this bearish candle after a very short-term rally suggests to us that perhaps the sellers are going to continue to go much lower. With this being the case, we like selling on a break down below the bottom of the candle, as it should show a continuation and an acceleration of the weakness. Momentum remains negative as the MACD (moving average convergence divergence) index prints in the red with a downward sloping trajectory which points to lower prices.

Pivot:	38.07		
Support	37.18	36.50	35.88
Resistance	38.39	39.00	39.85

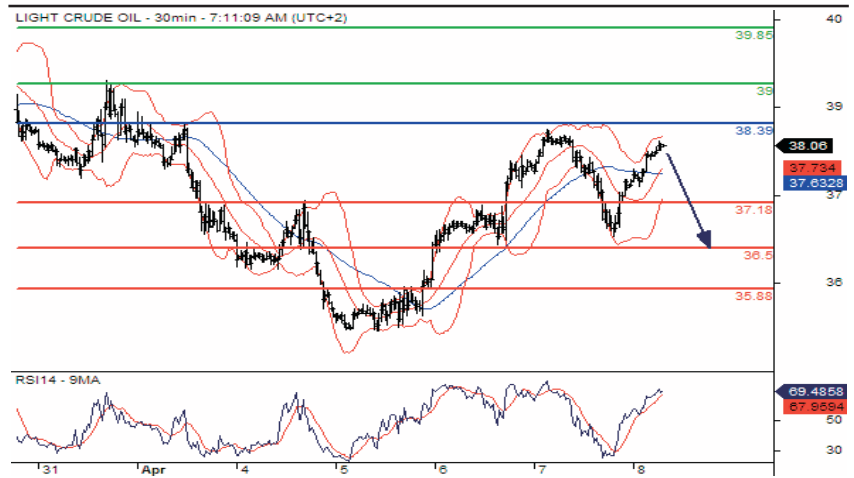
Highlights

- Oil prices edged up early today, lifted by firm economic indicators from the U.S and Germany which could support fuel demand
- Analysts warned that crude markets are still threatened by another downturn because of ongoing oversupply
- WTI crude futures is currently trading at \$37.64 per barrel
- Investors are lacking confidence about improved U.S. seasonal demand
- Outside the U.S, production especially in parts of the Middle East is still soaring

Crude - Technical Indicators

RSI 14	52.48
SMA 20	38.71
SMA 50	35.25
SMA 100	34.59
SMA 200	39.48

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil futures ended lower yesterday, failing to extend gains to a third straight day as bullish momentum in the wake of an unexpected decline in U.S. crude inventories faded and investors shunned assets perceived as risky on concerns about the global economic outlook.
- Brent crude the global oil benchmark, fell 41 cents, or 1%, to settle at \$39.43 a barrel on London's ICE Futures exchange. On the New York Mercantile Exchange, West Texas Intermediate futures fell 49 cents, or 1.3%, to \$37.26 a barrel.
- Oil lost ground amid concerns about world growth, analysts said. Those concerns helped sink equities and contributed to weakness in the dollar, while assets perceived as havens, such as gold and Treasuries, rallied.
- Both benchmarks rallied more than 5% on Wednesday after U.S. supply data showed a surprise drop in U.S. crude inventories of 4.9 million barrels last week.
- But analysts said other numbers in the report took off some of the bullish shine. Product markets "show large and unexpected inventory builds, suggesting end-use demand is not as strong as the headline suggests.
- Meanwhile, natural gas futures maintained gains after weekly storage data Thursday from the Energy Information Administration showed working gas in storage rose by 12 billion cubic feet in the week ended April 1. Analysts surveyed by energy data firm Platts had forecast a rise of 10 billion to 14 billion cubic feet.
- Oil prices have rallied in the past two months in part on expectations that major producers will agree to limit their output in a bid to alleviate the global oversupply and support prices. Several key players, including Saudi Arabia and Russia, are expected to meet on April 17 in Doha, Qatar, to discuss the plan.

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 rose during the course of the day on Thursday, breaking above the \$15.20 level. This is an area that we have suggested could cause quite a bit of resistance, and the fact that we broke above there tells us that the bullish momentum is starting to pick up. After this, we will more than likely try to reach the top of the overall consolidation range which extends to the \$16 level. Pullbacks at this point in time will more than likely offer value that traders continue to take advantage of. We have no interest in selling. The technical trend for silver prices remains bearish below the March 31 swing high of \$15.56, as the March 31 level is lower than the prior swing high of \$16.03 (formed on March 22). The sequence of both lower highs and lower lows is a strong indication that the trend is bearish. Support level is currently at last week's low.

Pivot:	15.19		
Support	15.12	14.98	14.88
Resistance	15.36	15.46	15.53

Highlights

- Silver prices were slightly higher yesterday than the levels seen on Wednesday
- The U.S Dollar was on the back foot yesterday following the publication of the March FOMC meeting minutes
- Some Fed members leaned towards hiking rates in April, while others disagreed
- Weak global economy is a potential risk factor when assessing the economic health
- Fed Funds futures are currently pricing a zero percent probability of a rate hike at the next month

Silver - Technical Indicators

RSI 14	47.96
SMA 20	15.38
SMA 50	15.30
SMA 100	14.70
SMA 200	14.85

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver futures bounced back yesterday, as the range-bound US dollar retreated after dovish Federal Reserve deliberations revealed there would likely be no interest rate hike in April.
- Silver for May delivery climbed 18 cents or 1.1% to \$15.24 a troy ounce on the Comex division of the New York Mercantile Exchange. The upward movement reversed most of the previous day's sharp decline. Nevertheless, silver has traded choppy since falling from 2016 highs above \$16 an ounce.
- The gold-silver ratio, which helps investors determine their entry and exit points for precious metals, closed at 81.22 on Wednesday. That means 81.22 ounces of silver are required to purchase one ounce of gold. The ratio has increased since mid-March as silver's price has declined at a faster rate relative to gold.
- The US dollar, which normally trades inversely with precious metals, was down 0.1% against a basket of currencies Thursday. The dollar declined Wednesday afternoon after the minutes of the March FOMC meetings showed policymakers were leaning against raising interest rates later this month.
- According to the official transcript, several FOMC members argued "that a cautious approach to raising rates would be prudent or noted their concern that raising the target range as soon as April would signal a sense of urgency they did not think appropriate."
- However, some officials left the possibility of a rate hike on the table "if the incoming economic data remained consistent with their expectations for moderate growth in output, further strengthening of the labour market, and inflation rising to 2% over the medium term."
- The Fed raised interest rates in December for the first time in over nine years. Only two more rate increases are expected this year, according to the summary of rate expectations that was released last month.

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

Friday, April 08, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Apr 08	00:00	USD Consumer Credit (FEB)	medium		\$14.900b	\$10.538b
Fri Apr 08	02:30	USD Fed's Yellen in New York, with Greenspan, Bernanke and Volcker	high			
Fri Apr 08	04:50	JPY Trade Balance - BOP Basis (Yen) (FEB)	medium		¥429.7b	-¥411.0b
Fri Apr 08	10:00	JPY Consumer Confidence Index (MAR)	medium		40.4	40.1
Fri Apr 08	10:45	CHF Unemployment Rate (MAR)	medium		3.6%	3.7%
Fri Apr 08	12:15	CHF Consumer Price Index (YoY) (MAR)	medium		-0.9%	-0.8%
Fri Apr 08	13:30	GBP Total Trade Balance (Pounds) (FEB)	medium		-£3400	-£3459
Fri Apr 08	17:30	CAD Unemployment Rate (MAR)	high		7.3%	7.3%
Fri Apr 08	17:30	CAD Net Change in Employment (MAR)	high		10.0k	-2.3k

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

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- Liaqat 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