

## Gold

### Technical

June Comex Gold struggled to hold on to its gains on Friday, but the market still managed to close higher for the week. All week, investors mirrored the price action in the equity markets. Weaker stocks drove investors into the safety of the gold market. The closing price reversal tops in all of the equity indices could underpin gold futures this week. If there is a follow-through to the downside by the stock indices then look for gold to post strong gains. The size of the rally will be determined by stock index volatility. Gold also posted its biggest weekly rise in five weeks as the Federal Reserve remained cautious on U.S interest rate increases. However, traders are bracing for volatility this week because of concerns about the Japanese Yen.

Pivot:	1,250		
Support	1,239	1,232	1,226
Resistance	1,255	1,262	1,271

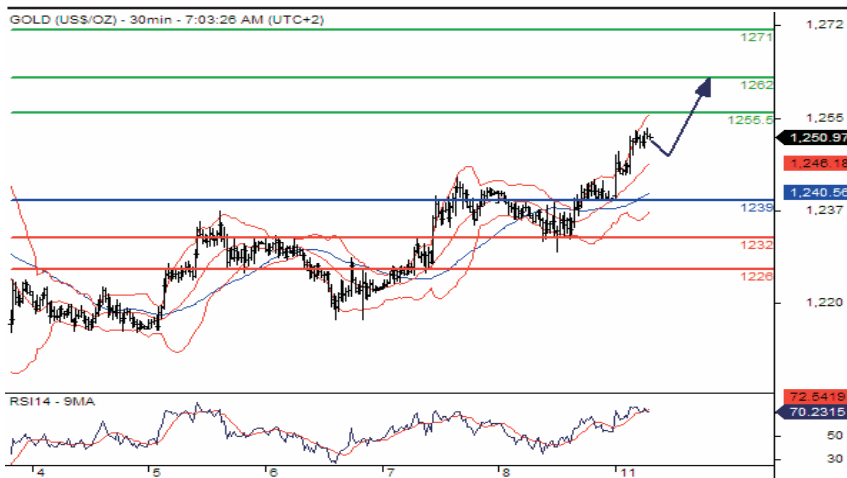
### Highlights

- Gold rose to the highest level in almost three weeks as the dollar extended declines on the Fed's cautious interest-rate outlook
- Bullion advanced as much as 1 percent to \$1,252.68 an ounce
- Gold's gains follow its best quarterly rally in three decades
- The Dollar Index, which tracks the currency against major peers, lost 0.2 percent to trade near the lowest level since June
- The trend is strong for gold because it failed to go below the \$1,200 mark

### 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 jumped to its highest in nearly three weeks on Monday as Asian equities slid and the dollar held close to six-month lows, burnishing demand for the safe-haven metal.
- Weak economic data and uncertainty over U.S. monetary policy have sparked risk-averse sentiment in the market, underpinning demand for safety assets such as gold and the Japanese yen, which is trading near levels not seen since 2014.
- Spot gold rose to \$1,250.46 an ounce early on Monday, its highest since March 22. It later pared some gains to trade up 0.8 percent at \$1,249.70 an ounce, following its best weekly gain in five weeks last week.
- Gold may remain elevated in the short term, but it is expected the metal to give back some of its gains later in the year as the Federal Reserve carried out two rate hikes. The dollar slid 0.15 percent against a basket of major currencies, falling close to last week's low of 94.015.
- Higher rates would weigh on gold by lifting the opportunity cost of holding non-yielding bullion. Waning expectations for further rate increases this year helped gold to its best quarter in nearly 30 years in the three months to March.
- Fed Chair Janet Yellen on Thursday said the U.S. economy is on a solid course and still on track to warrant further interest rate hikes. The U.S. central bank raised rates in December for the first time in nearly a decade. Assets in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.22 percent to 817.81 tonnes on Friday.
- New York Fed President William Dudley on Friday said the central bank must approach further rate hikes cautiously and gradually because of lingering external risks to the U.S. economy, despite some strength at home and welcome hints of inflation.

### 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 rose during the course of the week, testing the \$40 level. This is an area that features quite a bit of resistance as far as I can see though, so this point in time I do not suspect that we are about to see a longer-term breakout. There are a lot of different reasons to suspect this, not the least of which is that we formed a shooting star at this very level just 2 weeks ago. But beyond back, there are a lot of concerns about the reasoning for the strength that we've seen. After all, a lot of this comes down to comments Janet Yellen made on Thursday. While she suggests that the US is not heading into a recession, several regional branches of the Federal Reserve are currently downgrading GDP estimates. On top of that, there's talk of production freezes from several countries around the world, but right now they have yet to make an agreement.

Pivot:	39.85		
Support	39.00	38.25	37.44
Resistance	41.25	41.75	42.50

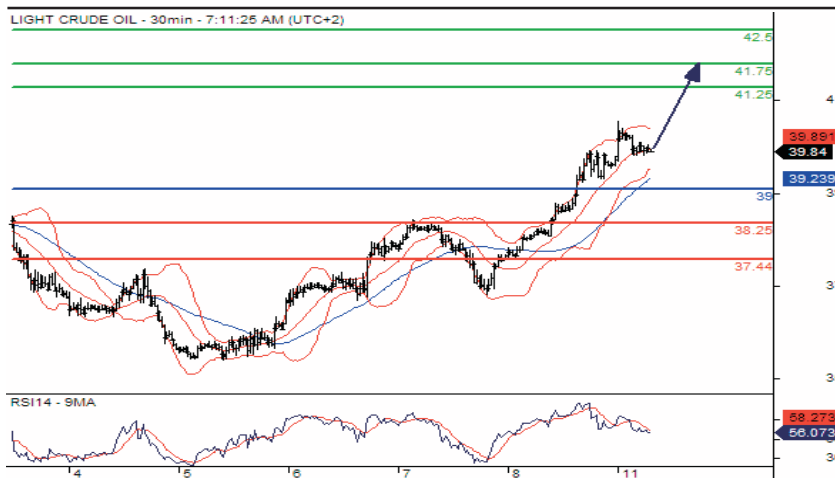
### Highlights

- Goldman Sachs poured cold water on prospects of a planned oil producer meeting successfully reining in global oversupply
- Crude failed to fall further because of a firm demand outlook as well as a tightening supply
- U.S crude rose above \$40 a barrel in early trading, pushed by a tightening U.S. market, but prices eased to \$39.56
- Crude rose sharply late last week after U.S. energy firms cut oil rigs for a third straight week
- The results of the meeting, planned in Qatar for April 17, may end up being bearish for the market

### 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

- Crude prices dipped today as analysts, including Goldman Sachs, poured cold water on the prospects of a planned oil producer meeting successfully reining in global oversupply, although a firm demand outlook checked losses.
- U.S crude eased to \$39.50, off the day's high of \$40.47 and down 22 cents from the prior session. Prices had rallied more than 6 percent on Friday after data showed U.S. energy firms had cut oil rigs for a third straight week to the lowest since November 2009.
- Brent was down 26 cents at \$41.68 a barrel, also after sharp gains late last week that were fuelled by production outages in the North Sea and West Africa and hopes a planned meeting in Doha on April 17 of producers will lead to an output freeze. Global overproduction is currently estimated at about 1 million barrels per day (bpd) in excess of demand.
- But Goldman Sachs cautioned that the results of the April 17 meeting may end up being bearish for the market. "A production freeze at recent production levels would not accelerate the rebalancing of the oil market as OPEC (ex. Iran) and Russia production levels have this year remained close to our 2016 average annual forecast of 40.5 million bpd," it said.
- Barclays also said that the "current expectation is for their actions to have limited impact." Additionally, Morgan Stanley warned that current oil prices reflected temporary outages and that this "does not necessarily imply upside for flat price or evidence of a faster recovery in the global imbalance".
- However, the longer-term outlook for oil seemed less bearish, with analysts forecasting a pick up in demand. Researchers at Bernstein expect global oil demand to grow at a mean annual rate of 1.4 percent between 2016 and 2020, versus an annual growth of 1.1 percent over the past decade. Bernstein's strong demand outlook was underpinned by Chinese data.

### 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 slightly during the course of the week, as we continue to see a little bit of upward pressure. The \$16 level above is resistive though, so as far as long-term trades are concerned, we need to see a break out above that level. Ultimately, pullbacks could be buying opportunities, but only if you have the ability to hang onto the trade for a very long time as the consolidation has been so stingy. We have no interest in selling, at least not until we break down below the \$14 level which would be a very bearish move. The hammer suggests that the buyers have reentered the market again, and if we can break above the top of that we will more than likely try to go to the \$15.50 level first, and then eventually the \$16 handle. It does look like silver is trying to turn things around overall, but at this point in time it's going to be a very volatile and difficult market to deal with.

Pivot:	15.43		
Support	15.25	15.10	14.98
Resistance	15.53	15.65	15.80

### Highlights

- Silver futures climbed 22.6 cents, or 1.49%, on Friday to settle at \$15.38 a troy ounce after hitting a session high of \$15.42
- On the week, silver futures tacked on 35.5 cents, or 2.39%.
- Market players will be paying a close attention to a handful of FOMC member speeches in the week ahead
- The U.S Dollar ended Friday's session at down 0.42% for the week
- U.S data on retail sales and consumer price inflation will also be in focus

### 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

- The price of precious metals went up marginally in the domestic market in the trading week of April 3 to 8. Precious metals have been hemmed into a narrow range by uncertainty about the path the US central bank will take to raising interest rates.
- Fed Chair Janet Yellen, in a conversation with former Fed chairmen on Thursday, said the US economy is still on track to warrant further rate rises. But US interest rate futures still indicate a less than 20 per cent chance of a rate increase in June.
- The gold/silver ratio was over 80 again in early April. Recently it peaked at 83.29 in late February. Prior to that high, its peak was 83.73 at the height of the Credit Crisis more than seven years ago. Both gold and silver were major buys at that point, but silver more so.
- The gold/silver ratio has varied from around 15 to close to 100 in the last 200 years and extremes today should be considered to be significant buy and sell signals.
- iShares Silver Trust opened at 14.62 on Friday. iShares Silver Trust has a 52-week low of \$13.04 and a 52-week high of \$16.96. The company's 50-day moving average price is \$14.57 and its 200 day moving average price is \$14.15.
- The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, fell to a six-month low of 94.03 on Thursday. It ended Friday's session at 94.22, down 0.42% for the week.
- Dollar weakness usually benefits precious metals, as it boosts the metal's appeal as an alternative asset and makes dollar-priced commodities cheaper for holders of other currencies. Federal Reserve Chair Janet Yellen, in a conversation with former Fed chairmen on Thursday, said the U.S. economy is on a solid course and still on track to warrant further interest 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	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

Monday, April 11, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon Apr 11	03:45	New Zealand Card Spending Retail (MoM) (MAR)	medium	0.1%		0.7%
Mon Apr 11	04:50	Japan Machine Orders (YoY) (FEB)	medium	-0.7%	-2.4%	8.4%
Mon Apr 11	06:30	Australia Home Loans (FEB)	medium	1.5%	2.0%	-3.9%
Mon Apr 11	06:30	Australia Investment Lending (FEB)	medium	4.1%		-1.6%
Mon Apr 11	06:30	China Consumer Price Index (YoY) (MAR)	high	2.3%	2.4%	2.3%
Mon Apr 11	06:30	China Producer Price Index (YoY) (MAR)	medium	-4.3%	-4.6%	-4.9%
Mon Apr 11	12:00	Switzerland Total Sight Deposits (APR 8)	low	486.4b		483.8b
Mon Apr 11	12:00	Switzerland Domestic Sight Deposits (APR 8)	low	423.6b		420.3b
Mon Apr 11	18:25	U.S Fed's Dudley Speaks in New York	medium			

Source: Forex Factory, DailyFX

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