

Gold

Technical

Gold markets initially rallied during the course of the session on Thursday, but found the \$1270 level to be far too resistive. By doing so, we ended up forming a massive shooting star, which of course is a negative sign. However, the ultimate destination of this market seems to be more consolidation, so we are simply waiting to see whether or not we get a supportive candle below that we can start buying. We will use daily candles in order to do so, and as a result will have to be very patient. Gold price shows sideways trading since morning settling above the bullish trend line, while stochastic shows positive signals on the intraday time frames, which supports the continuation of the bullish trend scenario for the rest of the day, depending on the stability above 1227.40 level.

Pivot:	1,247		
Support	1,242	1,235	1,227
Resistance	1,258	1,270	1,281

Highlights

- Gold slipped today as the dollar strengthened against the yen
- The U.S Dollar rose about 1 per cent against the yen today
- Bank of Japan was considering applying negative rates to its lending programme for financial institutions.
- A stronger Greenback makes the dollar-denominated precious metals expensive
- Gold fell 0.3 per cent to \$1,244.80 an ounce by, after hitting a five-week high of \$1,270.10 an ounce on Thursday

Gold - Technical Indicators

RSI 14	50.47
SMA 20	1,234.14
SMA 50	1,236.69
SMA 100	1,165.36
SMA 200	1,143.12

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices fell Thursday, ending four days of gains, after European Central Bank President Mario Draghi indicated policy makers there could still cut interest rates further and the dollar rose.
- Gold futures for June delivery, the most actively traded contract Thursday, settled about 0.3% lower to \$1,250.30 a troy ounce on the Comex division of the New York Mercantile Exchange. Earlier in the session, gold was as high as about \$1,270 a troy ounce, reflecting a weaker dollar before Mr. Draghi's comments, according to FactSet data.
- A stronger dollar weighs on gold because the yellow metal is denominated in dollars and becomes more expensive for holders of other currencies when the U.S. currency rises.
- Mr. Draghi, in a news conference, kept open the possibility of more rate cuts in Europe even though policy makers decided to keep rates unchanged at the end of their two-day meeting. The comments sent the euro lower against the dollar, given that lower rates in Europe would make the euro less attractive to yield-seeking investors.
- The Dollar Index, which measures the greenback against a basket of 16 currencies, was recently up about 0.3% on the day after being down about 0.4% earlier.
- The dollar also got a boost Thursday morning after new data showed the number of U.S. workers who applied for new unemployment benefits fell to the lowest level in 43 years, suggesting the Federal Reserve could raise rates in the U.S. sooner rather than later.
- Gold prices are up some 18% this year, coming off the biggest quarterly gain in 30 years in the first three months of the year as concerns about a U.S. recession and global growth drove investors to the precious metal.

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 tried to rally during the course of the day on Thursday, but found enough resistance above the \$44 level to turn things back around and form a slightly negative candle. The pseudo-shooting star type candle suggests of course that we could get a little bit of a pullback, but at this point in time well markets of been extraordinarily resilient. With that being the case, we would be very concerned about selling, as it seems like that the market has already made up its mind as to which direction they want to trade. Ultimately, there is quite a bit of bullish pressure underneath, so having said that a pullback will more than likely only attract more buyers. At this point in time, it is not until we break down below the \$40 level that we feel this market could be able to be sold off. So far, the rally to the upside does look a bit like an ascending channel.

Pivot:	43.53		
Support	42.90	41.40	40.40
Resistance	45.00	46.50	48.00

Highlights

- Oil futures finished lower Thursday, pulling back after posting healthy gains over the past two sessions
- Traders weighed mixed fundamental influences for the market
- China oil imports jumped last month and U.S crude production fell last week
- China's crude imports in March were the second-highest on record—up 21.6% from a year earlier to around 7.7 million barrels a day
- U.S data on Wednesday showed that stockpiles of crude increased last week by 2.1 million barrels

Crude - Technical Indicators

RSI 14	65.48
SMA 20	39.31
SMA 50	36.18
SMA 100	34.76
SMA 200	39.41

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices wavered on Friday but were on track to finish higher for the week, as investors weighed a stronger dollar against a fall in production. Brent crude, the global oil benchmark, fell 0.3% to \$44.40 a barrel on London's ICE Futures exchange.
- On the New York Mercantile Exchange, West Texas Intermediate futures were trading up 0.1% at \$43.22 a barrel. Both benchmarks are up for the week, with WTI gaining around 7% and Brent up around 3%.
- It is a very volatile market at the moment, and it will stay this way for a while. A stronger dollar added downward pressure on prices. The Dollar Index, which tracks the dollar against a basket of other currencies, rose 0.2% on Friday. As oil is priced in dollars, it becomes more expensive for holders of other currencies as the greenback appreciates.
- Oil prices rose this week despite a failed effort by major producers to clinch a deal to limit their output on Sunday. Instead, a series of production disruptions in Kuwait, Nigeria and Venezuela added to bullish sentiment that has seen oil rise by around 60% in the past two months.
- Meanwhile, U.S. output has continued to slowly decline, falling to below 9 million barrels a day last week, according to Energy Information Administration data released Wednesday. U.S. production is down from a peak of 9.7 million last April. Some analysts are skeptical about the sustainability of the rally given that the supply disruptions are temporary.
- The production caps were supposed to get the oil market through the period of high oversupply in the second quarter before the second half of the year sees a noticeable reduction in the oversupply thanks to falling U.S. production and stronger seasonal demand. Later in the day, Baker Hughes Inc. will release the latest U.S. oil rig count numbers.

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 initially rallied during the course of the session on Thursday, reaching above the \$17.60 level in the process, but turned right back around to form a massive shooting star. That being the case, the market looks as if it could pull back from here, but it's only going to be an opportunity for people take advantage of perceived value, as the market will certainly has broken out and now almost everybody in the world will be waiting for an opportunity to pick up silver "on the cheap", which of course it is below. The \$16 level should be the "floor" in the market. For silver, we favour the market above \$17, but expect volatility and further gains may be hard to hold. On the positive side, it appears that solar-panel demand is up and retail demand is solid for silver. Prices are popping because the dollar is slightly weak. There is also support from the commodities and metals rally.

Pivot:	17.14		
Support	16.71	16.48	16.10
Resistance	17.66	18.00	18.50

Highlights

- Silver hit an 11-month high earlier yesterday as the dollar retreated
- Silver is up more than 7 percent this week, and on track for its biggest weekly rise since January 2015.
- Silver reached its most expensive versus gold in six months yesterday
- Spot silver was up 2.6 percent at \$17.37 an ounce, having touched \$17.60, its highest since May 2015
- Silver has most certainly been developing its own strong momentum

Silver - Technical Indicators

RSI 14	63.83
SMA 20	15.47
SMA 50	15.38
SMA 100	14.77
SMA 200	14.88

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver slipped sharply from an 11-month peak on Thursday as a rebound in the dollar prompted traders to cash in earlier gains, while gold also fell from a five-week high hit after comments from the European Central Bank drove the euro higher.
- The euro zone common currency jumped as much as 1 percent against the dollar after ECB chief Mario Draghi said the bank's policies are working to stimulate economic recovery. However, it failed to maintain those gains, sparking a retracement across precious metals.
- Silver was up 0.6 percent at \$17.03 an ounce, off a peak of \$17.70, its highest since May. The head of the ECB robustly defended the bank's policy of printing money and keeping borrowing costs at rock bottom and said interest rates would stay at current record lows for a long time.
- Silver broke above key chart resistance last week and reached its most expensive versus gold in six months on Thursday. The world's largest gold-backed exchange-traded fund, New York's SPDR Gold Shares, has seen outflows of 14 tonnes so far this week, while silver ETF holdings have surged.
- As gold and silver rallied in the wake of the ECB's comments, palladium touched its highest since early November at \$615.85 an ounce. Silver, used widely in manufacturing, has outperformed gold in recent days, helped by a break through chart resistance at its late October high on Tuesday and upbeat data from China.
- Recent data from China has showed a surge in new debt fuelling a recovery in factory activity, investment and household spending. This has largely boosted industrial commodities. London copper hit its highest in almost a month on Thursday, while Shanghai rebar jumped 9 percent to its highest since September 2014.

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	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 22, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Apr 22	07:00	JPY Nikkei Japan PMI Mfg (APR P)	medium	48.0	49.5	49.1
Fri Apr 22	09:30	JPY Tertiary Industry Index (MoM) (FEB)	medium	-0.1%	-0.5%	0.7%
Fri Apr 22	12:30	EUR Markit/BME Germany Manufacturing PMI (APR P)	medium	51.9	51.0	50.7
Fri Apr 22	12:30	EUR Markit/BME Germany Composite PMI (APR P)	medium	53.8	54.2	54.0
Fri Apr 22	13:00	EUR Markit Eurozone Manufacturing PMI (APR P)	medium	51.5	51.9	51.6
Fri Apr 22	13:00	EUR Markit Eurozone Composite PMI (APR P)	medium	53.0	53.3	53.1
Fri Apr 22	17:30	CAD Retail Sales (MoM) (FEB)	medium	0.4%	-0.8%	2.1%
Fri Apr 22	17:30	CAD Consumer Price Index (YoY) (MAR)	high	1.3%	1.2%	1.4%
Fri Apr 22	18:45	USD Markit US Manufacturing PMI (APR P)	medium		52.0	51.5

Source: Forex Factory, DailyFX

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