

## Gold

### Technical

Gold markets bounced off of the 1230 level in order to form a slightly positive candle. However, it looks as if we are simply grinding away overall as buyers continue to be attracted out these lower levels in a market that has recently had a very impulsive move higher, but has struggled to truly break free. Short-term pullbacks should continue to be buying opportunities, and at this point in time we have no interest whatsoever in selling this market as there is more than enough support underneath current levels. The \$1200 level seems to be the “floor” in this market. March U.S New home sales undershot estimates with a 1.5% drop to a 511k rate, though we saw upward revisions to rates 519k in February and 521k in January that left a stronger than expected Q1.

Pivot:	1,234		
Support	1,227	1,220	1,216
Resistance	1,240	1,246	1,252

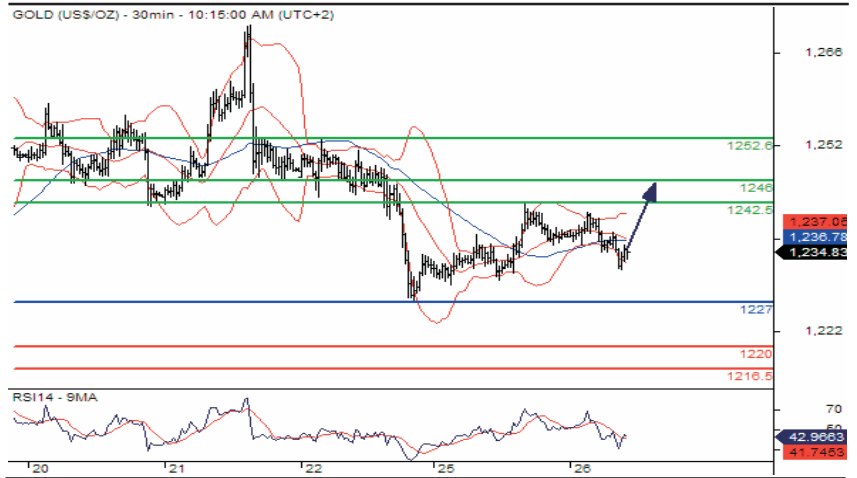
### Highlights

- Gold futures finished higher yesterday, bouncing back partially from a steep selloff at the end of last week
- Traders looked ahead to interest-rate policy meetings that could set the near-term course for both the dollar and gold
- Gold for June delivery advanced \$10.20, or 0.8%, to close at \$1,240.20 an ounce
- Gold found support as the Japanese yen regained ground versus the U.S. dollar
- The greenback continues to affect dollar-denominated gold prices

### Gold - Technical Indicators

RSI 14	48.20
SMA 20	1,236.14
SMA 50	1,239.69
SMA 100	1,180.36
SMA 200	1,149.12

### Gold Daily Graph



### Fundamentals

- A weaker dollar and equities helped gold extend gains today, with investors cautious ahead of policy meetings this week at the Bank of Japan and the U.S. Federal Reserve.
- The U.S. dollar fell versus the yen as traders took profits from the greenback's recent rally against the Japanese currency. Expectations of a dovish Fed also hurt the dollar. Asian stocks retreated as investors were wary of riskier assets ahead of the central bank meetings.
- Spot gold had edged up 0.1 percent to \$1,238.83 an ounce, after gaining 0.5 percent in the previous session. The metal continues to be influenced to a large extent by dollar movements.
- As well as a weaker dollar, we see global risks and a modest recovery in oil prices as gold-bullish. The more tame Fed tightening cycle, compared to expectations last year, should also support gold. Support around \$1,230 should keep the metal buoyant, though gains will be limited by the Fed announcement on Wednesday.
- Speculation of further easing sent the yen reeling against the dollar late last week, but uncertainty over whether the BOJ will actually deliver fresh stimulus at its April 27-28 meeting saw the Japanese currency recover some ground.
- The Fed also holds a policy meeting this week, with the two-day gathering kicking off on Tuesday. The U.S. central bank is not expected to raise interest rates at the meeting, but markets will be looking for its take on the global economy and its monetary policy outlook.
- Assets in SPDR Gold Trust, the largest gold-backed exchange-traded fund, fell 0.3 percent to 802.65 tonnes on Monday, though remained not too far off a two-year high reached earlier this year. Gold is highly sensitive to rising rates, which lift the opportunity cost of holding non-yielding assets such as bullion.

### 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 fell during the day on Monday, as we continue to see quite a bit of volatility in this market, but at this point in time we see that the \$42 level below looks to be supportive. After all, it was an area that was resistive, and ultimately could have quite a bit of buying pressure sitting just below it. However, you also have to keep in mind that oil-producing companies are announcing their earnings over the next few sessions, so that could have a bit of an effect on the oil markets as well, as it gives an idea as to how profitable it is to extract the petroleum out of the ground. With that being the case, I'm waiting to see whether or not we get some type of supportive candle near \$42, or if we break through that area. If we break through that area significantly, it could be a rather negative sign for a market that has been extraordinarily bullish lately.

Pivot:	42.88		
Support	42.00	41.40	40.00
Resistance	44.50	45.30	46.35

### Highlights

- Oil prices rose in volatile trade today on a weaker U.S. dollar
- Concerns about persistent market oversupply are expected to put a cap on gains
- On the New York Mercantile Exchange, West Texas Intermediate futures were trading up 0.8% at \$42.98 a barrel
- Oil was propped up by the dollar, which fell ahead of a meeting of Federal Reserve officials on Wednesday
- There are few signs that the fundamental picture on the market is improving

### Crude - Technical Indicators

RSI 14	62.54
SMA 20	40.57
SMA 50	38.46
SMA 100	35.39
SMA 200	39.37

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Crude futures edged up today due to a weaker dollar and hopes for an easing of the global oil glut, although gains were capped by concerns that a battle for market share between Saudi Arabia and Iran could intensify further.
- Front-month Brent crude futures traded at \$44.75 per barrel at 0815 GMT, up 27 cents from their last settlement. U.S. crude futures were also up 27 cents, at \$42.91 a barrel.
- Market fundamentals continue to suggest that the combination of robust demand and weak supply growth will move global oil markets closer into balance by the end of the year. Also helping prices were a weaker dollar and a rush of new investment into crude futures.
- However, some analysts warned it was too early to call an end to the crude glut as Saudi Arabia and Iran could ramp up output further in a race for customers. The biggest bear risk to the oil market right now is that Iran's ramp-up accelerates and then that Saudia does the same.
- Investors have been focusing on data out of the U.S. as a bellwether for the global market balance. U.S. output has been slowly declining in recent months, and is set to fall further as low prices hit drilling activity.
- If the medium to long-term prices are set to be driven by U.S. supply considerations then the same can be said about short-term price movements. Meanwhile, a government that controls Libya's eastern half said its oil company has loaded its first shipment of crude despite the objections of the North African nation's internationally recognized oil company.
- Market fundamentals continue to suggest that the combination of robust demand and weak supply growth will move global oil markets closer into balance by the end of the year. Oil prices fell today, with analysts saying investors are cashing in after three weeks of gains.

### 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 fell to the \$16.80 level below, but turned back around to form a relatively strong candle. This is strong because we continue to see buyers every time this market dips. Ultimately, it appears that we are trying to build up enough momentum to continue the uptrend in the silver market, and the fact that we have seen such a massive and impulsive candle of course bears credence to the idea of this market going higher the longer term. Expect a lot of volatility, but quite frankly it appears that the buyers are very much in control. In the short-term, the April 21 low of \$16.76, formed on the heels of last week's ECB Rate Decision, is a support level. Below this level, the next potential support level is the psychological level of \$16.50 and is followed by the April 18 low of \$16.13. A near term resistance level is this morning's high of \$17.13.

Pivot:	16.98		
Support	16.71	16.48	16.10
Resistance	17.35	17.66	18.00

### Highlights

- Crucial events for Silver this week is U.S. GDP and the FOMC Rate Decision
- The April 21 low of \$16.76, formed on the heels of last week's ECB Rate Decision, is providing support to price
- Silver added 56 points to 17.065 remaining near the top of its trading range as it continues to outperform its counterpart
- The Fed holds a policy meeting starting later in today's session
- The U.S central bank is not expected to raise interest rates at the meeting

### Silver - Technical Indicators

RSI 14	70.67
SMA 20	16.09
SMA 50	15.64
SMA 100	15.03
SMA 200	14.96

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Following the sharp rise in silver prices over the last few weeks, traders have been less reluctant to push prices higher. Silver prices had risen by 18.76% from their April monthly low when they reached the April 21 high of \$17.73. Silver prices have since then slipped lower by 4.7%.
- Not only is silver trading near major key levels, this week could be crucial given that the FOMC Rate Decision is on tap this Wednesday and could have a strong effect on silver via the USD.
- With the silver price today up 0.7% to \$17.06 – its highest level since May 22, 2015 – it's safe to say silver prices are on fire again. The price of silver has rallied 23% so far this year. That comes following a 72% drop from its 2011 peak of \$49.
- Last week's silver price performance was impressive. For the second week in a row, it continued to outperform gold prices. Although gold is viewed as the best safe-haven investment, silver is arguably the next best thing despite its smaller market and higher volatility. And now more and more investors are coming to that same conclusion lately.
- While there are a few indicators of silver price drawbacks in the near term, it seems the price has a lot of room to run in the medium to long term. Friday was a rare session as silver moved opposite gold in early morning trading.
- Silver has recovered sharply to become the best performing metal in the current round of commodity price spurt. Recent recovery in the white metal was also reflected in a falling gold to silver price ratio, the latter representing an ounce of silver that can be bought with one ounce of gold.
- This has been rising continuously in recent years and on February 26 this year had peaked at a little above 83. The ratio started moderating and fell in the past two weeks, to around 73 now. This means silver has outperformed gold.

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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

Tuesday, April 26, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Apr 26	13:30	GBP BBA Loans for House Purchase (MAR)	medium		46500	45646
Tue Apr 26	17:30	USD Durable Goods Orders (MAR)	high		1.9%	-3.0%
Tue Apr 26	17:30	USD Durables Ex Transportation (MAR)	medium		0.5%	-1.3%
Tue Apr 26	17:40	CAD Bank of Canada's Poloz Speaks in New York	medium			
Tue Apr 26	18:00	USD S&P/Case-Shiller US Home Price Index (YoY) (FEB)	medium			5.4%
Tue Apr 26	18:45	USD Markit US Services PMI (APR)	medium		52.0	51.3
Tue Apr 26	18:45	USD Markit US Composite PMI (APR)	medium			51.3
Tue Apr 26	19:00	USD Consumer Confidence (APR)	high		96.0	96.2
Tue Apr 26	19:00	USD Richmond Fed Manufacturing Index (APR)	low		12	22

Source: Forex Factory, DailyFX

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