

Gold

Technical

Gold markets rose during the course of the day but found the \$1240 level to be too resistive to continue going higher. We pulled back and gave about half of the gains back, but at the end of the day we think there's more than enough support below to continue to push this market higher. Part of the pullback is probably founded on caution ahead of the Nonfarm Payroll Numbers, so with that we don't put too much stock into the giveback. With this, we believe that the market should eventually go higher. Gold prices edged higher as a weaker dollar was offset by softer than expected German Retail Sales. Momentum on the yellow metal is negative as the MACD index prints in the red with a downward sloping trajectory which points to lower prices.

Pivot:	1,232		
Support	1,229	1,223	1,216
Resistance	1,239	1,243	1,249

Highlights

- Gold rose 1 percent as a drop in equities boosted its appeal as an alternative asset
- The metal is highly exposed to rising rates, which lift the opportunity cost of holding non-yielding assets
- Gold fell 10 percent last year ahead of the first U.S rate increase in nearly a decade in December
- Gold has climbed 16.5 percent in the first three months of this year
- Attention is now turning to U.S. non-farm payrolls data today, a key barometer of the health of the world's biggest economy

Gold - Technical Indicators

RSI 14	50.74
SMA 20	1,243.54
SMA 50	1,217.50
SMA 100	1,148.93
SMA 200	1,136.16

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices notched their largest quarterly gain in three decades, showing that worries about the markets and economy continue despite a six-week-long rally in stocks, bonds and commodities.
- Gold prices rose 16.5% in the first three months of the year, the biggest leap since 1986. Holdings at SPDR Gold Shares, the world's largest gold-focused exchange-traded fund, are approaching their highest level since December 2013, while traders are placing more bets on rising prices.
- The rally is a rare bit of good news for a metal that has been in retreat for much of the past five years, a period when U.S. economic activity picked up and the dollar surged. Even so, many investors remain skeptical that gold will go much higher unless the global outlook dims considerably.
- Net bets on higher gold prices by hedge funds and other speculative investors stood at 161,610 contracts in the week ending March 22, their highest level since February 2015, data from the Commodity Futures Trading Commission showed.
- Gold-mining stocks also have racked up big gains, although many have drifted off their earlier highs. Newmont Mining Corp is up 48% so far this year, Randgold Resources has gained 54% and Barrick Gold Corp., the world's largest gold miner by output, is up 72%.
- A chunk of gold's gains was concentrated in the first six weeks of 2016, when stocks, junk bonds and oil prices slumped, began to recover and then tumbled again. That isn't unusual, because so-called haven assets like gold and ultrasafe government bonds tend to rise at times of market distress.
- The Federal Reserve's signals it will be slow to raise rates this year also led to a weakening of the dollar, a shift that tends to bolster the prices of commodities including gold that are priced in the U.S. currency.

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 fell during the course of the day on Thursday, but turned back around as we bounced off of the \$38 level. We formed a bit of a hammer, but quite frankly it's very unlikely that it means anything, because there are the concerns of the Nonfarm Payroll Numbers coming out during the day, and that of course has quite an effect on the markets in general. This causes quite a bit of volatility, and the oil markets won't be any different. That being said, it looks like we are currently consolidating between the \$38 level on the bottom, and the \$42 level on the top. Given enough time, we should break down though so at this point it's likely that the volatility will make it so that you have to trade off of short-term charts. Momentum is negative as the MACD (moving average convergence divergence) index recently generated a sell signal.

Pivot:	38.29		
Support	37.65	36.94	36.20
Resistance	39.07	39.45	39.87

Highlights

- Oil futures retreated early today, kicking off the second quarter with declines
- The market's focus remained on movements in the U.S Dollar and robust global oil supplies
- On the New York Mercantile Exchange, crude futures for delivery in May traded at \$38.25 a barrel, down 9 cents or 0.2%
- Prices eked out a gain on Thursday, though the tone of news was bearish
- Output from the Organization of the Petroleum Exporting Countries rose in March to 32.47 million barrels a day

Crude - Technical Indicators

RSI 14	51.62
SMA 20	38.90
SMA 50	34.64
SMA 100	34.81
SMA 200	39.81

Crude Oil Daily Graph



Fundamentals

- Oil prices tumbled on Friday after reports that Saudi Arabia might not curb its output unless other major producers join the efforts to stem the global oversupply. On the New York Mercantile Exchange, West Texas Intermediate futures were trading down 1.8% at \$37.67 a barrel.
- Saudi Arabia's deputy crown prince, Mohammed bin Salman, said in an interview with Bloomberg that the kingdom will only freeze its oil output if Iran and other major producers agree to curb their output.
- There have been growing doubts in recent weeks about whether an agreement between major producers, including Saudi Arabia and Russia, will be reached when they meet in Doha, Qatar on April 17.
- Today, traders will be tracking the U.S. jobs report and the weekly oil rig count. Jobs data is an important data point about the health of the U.S. economy—the world's biggest consumer of crude. Economists polled by The Wall Street Journal expect a rise in nonfarm payrolls of 213,000 and the unemployment rate to hold at 4.9%.
- A healthy U.S. employment report could also nudge the Federal Reserve to raise the interest rates sooner, which would boost the dollar. A strong greenback is negative for dollar-denominated commodities.
- Oil prices rallied sharply in March after slumping to multiyear lows earlier in the year. The rally has been fueled by optimism that the global glut of crude, which has battered prices since 2014, will start to abate this year.
- Traders will look to the latest oil rig count out of the U.S., which will be released later in the day by Baker Hughes Inc. The number of rigs drilling for oil, viewed as a rough proxy for activity in the energy industry, fell by 15 to 372 last week, down 71% from a peak in October 2014.

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, but turned right back around to get back half of the gains. By doing so, we ended up forming a slightly positive candle, but the most important thing is that we found that the consolidation area is in fact holding. With that, we are buyers of silver in general and believe that we will probably try to get to the \$16 level given enough time. We think that support not only starts at the \$15.20 level, but it extends all the way down to at least the \$15 level. Silver price keeps its stability above the bullish channel's support line, to keep the bullish trend valid and active on the intraday and short term basis, and the price might witness some sideways fluctuation affected by stochastic negativity before resuming the bullish bias that its next targets located at 15.70 then 16.35.

Pivot:	15.38		
Support	15.32	15.26	15.14
Resistance	15.46	15.53	15.67

Highlights

- Silver ended yesterday's trading session 1.4 percent higher
- Attention is now turning to U.S. non-farm payrolls data on Friday
- The private sector added 200,000 net new jobs in March, according to the ADP National Employment Report
- Gold has gained only comparatively higher bids than silver during the past month, increasing by 0.24%
- iShares Silver Trust ETF (SLV) and the has seen losses of 4.2%

Silver - Technical Indicators

RSI 14	49.38
SMA 20	15.48
SMA 50	15.21
SMA 100	14.64
SMA 200	14.84

Silver Daily Graph



Source: Meta Trader

Fundamentals

- Silver was up 1.4 percent at \$15.41 an ounce. With silver now consolidating at current levels, the comments by Janet Yellen continue to impact global markets with equity markets surging and dollar continuing to slip against all currencies.
- This view is now spreading with Janet Yellen's comments of concern on the global economy and the strong dollar confirming the 'official' view. The Fed is telling us all that the U.S. and its dollar cannot walk its own road with the rest of the world following.
- It's very much a part of the global economy and will not tolerate other nations devaluing against it. This underpins the gold price and neutralizes the so called reverse link between the dollar and silver.
- The silver price remains locked onto gold's moves and rose slightly yesterday, but promises more rises shortly. The rise in the haven bids so far in 2016 has caused a price jump for gold of nearly 16%. But silver has increased by only 10%.
- Usually, price changes in other precious metals stem from changes in gold, but over the past one month, silver has outperformed gold, with silver capping 2% and gold losing 0.53%.
- The fluctuations in these precious metals has also helped the gains in funds like the iShares Silver Trust ETF (SLV) and the iShares Gold Trust (IAU), which have seen losses of 4.2% and 1.8%, respectively, on a five-day trailing basis.
- Precious metals have been on a winning streak in 2016. The year brought in a lot of turbulence in markets as China slumped, and major world economies are entering the negative interest rate territory. The US economy also remained concerned over its own interest rate hike scenario, and the recent lack of confidence signaled by Fed Chair Janet Yellen buoyed precious metal markets.

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 01, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Mar 01	06:00	CNY Manufacturing PMI (MAR)	high		49.3	49.0
Fri Mar 01	12:30	CHF SVME-Purchasing Managers Index (MAR)	medium		51.2	51.6
Fri Mar 01	13:30	GBP Markit UK PMI Manufacturing s.a. (MAR)	medium		51.2	50.8
Fri Mar 01	17:30	USD Unemployment Rate (MAR)	high		4.9%	4.9%
Fri Mar 01	17:30	USD Change in Nonfarm Payrolls (MAR)	high		205k	242k
Fri Mar 01	17:30	USD Change in Private Payrolls (MAR)	medium		190k	230k
Fri Mar 01	17:30	USD Average Hourly Earnings (YoY) (MAR)	medium		2.2%	2.2%
Fri Mar 01	19:00	USD ISM Manufacturing (MAR)	high		50.7	49.5
Fri Mar 01	19:00	USD U. of Michigan Confidence (MAR F)	medium		90.5	90.0

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

Junaid Faisal Tel: (+92-68) 5871655-56 Cell: 0300-9673704 Junaid.Faisal@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