

Gold

Technical

Gold prices bounced on Tuesday following softer than expected European data which led to a selloff in riskier asset and buoyed the yellow metal. The stronger than expected U.S. ISM Services report, pushed gold prices off their highs during the North American trading session. Support is seen near the 50-day moving average at 1,216, while resistance is seen near the 10-day moving average at 1,224. With the FOMC Meeting Minutes coming out during the day today, we could get dovish words out of the Federal Reserve that will push down the value of the US dollar. If we get that, then by extension gold should rally. A break above the top of the range would be positive enough to start going long. We have no interest in shorting this market.

Pivot:	1,225		
Support	1,222	1,214	1,208
Resistance	1,232	1,236	1,243

Highlights

- Gold futures finished higher yestreday as investors rushed toward safety plays amid a global stock-market downdraft
- June gold rose \$10.20, or 0.8%, to \$1,229.50 an ounce yesterday
- Spot prices saw their biggest quarterly rise in nearly 30 years in the three months to March
- Gold is getting a lift "from significantly higher risk aversion among market participants
- Boston Federal Reserve President Eric Rosengren said the U.S central bank should hike rates sooner rather than later

Gold - Technical Indicators

RSI 14	47.00
SMA 20	1,235.14
SMA 50	1,225.69
SMA 100	1,155.36
SMA 200	1,139.12

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold fell today as a recovery in the dollar prompted some to cash in gains after Tuesday's 1.8 percent rally, though price moves were muted as traders awaited the minutes of the Federal Reserve's last policy meeting.
- The minutes, due to be published later today, will be scrutinised for clues about the outlook for U.S monetary policy, as well as any signs of dissent over the central bank's decision to leave interest rates on hold at its March meeting.
- Gold is sensitive to any increase in U.S. rates, as it would lift the opportunity cost of holding non-interest bearing metal. It posted its biggest quarterly rise in nearly 30 years in the first three months of 2016 as expectations for rate rises faded.
- Gold rose 1.8 percent on Tuesday as equity markets sold off, fuelling interest in the metal as an alternative asset, but it has since declined as stocks steadied in Europe. Spot gold was down 0.4 percent at \$1,225.41 an ounce while U.S gold futures for June delivery were down \$2.40 an ounce at \$1,227.20.
- The precious metal has eased off today as investors have their focus back towards the equity markets. The FOMC committee needs to show solidarity with respect to a rate hike and as long as we are lacking that, their message will be vague and spawn only more volatility.
- U.S. Fed Chair Janet Yellen sparked a rally in gold late last month after saying the central bank should remain cautious about any further interest rate rises. However, recent hawkish comments have capped gains in the market.
- Boston Federal Reserve President Eric Rosengren and Chicago Fed President Charles Evans indicated this week that the market view about rate rises was pessimistic. Holdings of the world's largest gold-backed exchange-traded fund, New York-listed SPDR Gold Shares, fell 0.28 tonnes to 815.44 tonnes, data from the fund showed. It reported its first weekly outflow this year last week.

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 markets rose just slightly during the course of the session on Tuesday, but more importantly we have Crude Oil Inventories coming out during the day here on Wednesday, so that will have more of an effect on this market. On top of that, we have the FOMC Meeting Minutes coming out during the day, and that of course can have an effect on the US dollar which in turn can affect this market. In other words, we expect quite a bit of volatility but we are at an area that was once supportive, and it looks as if it is starting to crumble a bit. If that's the case, we could very well find ourselves selling off in going down to the \$34 level. Rallies at this point in time would be suspicious, as we have most certainly broken down below a significant uptrend line. Momentum remains negative with the MACD (moving average convergence divergence) index printing in the red.

Pivot:	36.95		
Support	35.88	35.20	34.50
Resistance	37.25	38.39	39.07

Highlights

- Crude oil futures jumped, lifted by growing expectations that exporters will agree to freeze their output amid global oversupply
- Iran's plans to boost production are seen as capping bigger price gains
- The Kuwaiti governor for the OPEC said on that there were "positive indications an agreement will be reached"
- Front month U.S. crude futures jumped a dollar, or 2.8 percent, to \$36.89 per barrel
- API, an industry trade group reported that U.S. inventories of crude oil fell by 4.3 million barrels

Crude - Technical Indicators

RSI 14	47.75
SMA 20	38.67
SMA 50	34.99
SMA 100	34.62
SMA 200	39.58

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Crude futures jumped today as hopes for an agreement among exporters to freeze output underpinned the market, although persistent global oversupply and Iran's plans to boost production pressured physical oil prices.
- Oil futures recovered from one-month lows to end the previous session up after the Kuwaiti governor for the OPEC, Nawal Al-Fuzai'a, said there were "positive indications an agreement will be reached" on output during a producer meeting scheduled for April 17 in Qatar.
- U.S. crude futures jumped over a dollar, or almost 3 percent, to a high of \$36.92 per barrel before easing to \$36.76 per barrel. International Brent futures rose as high as \$38.64 before easing to \$38.41 a barrel, still up 54 cents from their last settlement.
- Oil futures gained some momentum. The comment by the Kuwait OPEC governor provided some support to prices. An expectation that China's economy might be stabilizing after over a year of slowing also supported prices.
- An initial output freeze agreed in February has helped oil prices rise to almost \$38 a barrel from a 12-year low close to \$27 plumbed earlier this year. However, prices have fallen in recent days on doubts that a wider deal will be reached, largely because Iran has so far said it has no intention of slowing its production after crippling sanctions against it were lifted in January.
- Iranian Oil Minister Bijan Namdar Zanganeh said the country's crude output would reach 4 million barrels per day (bpd) by March 2017, state television reported on Wednesday, with plans to export 2.25 million bpd of those supplies.
- With Iran's exports rising and other producers pledging to freeze production near record-high levels, an agreement would do little to address a global supply overhang that sees at least a million barrels of crude produced every day in excess of demand.

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 had a slightly positive session during the day on Tuesday, bouncing above the \$15 level after testing serious support just below. It looks as if the support is still going to be active, and with the FOMC Meeting Minutes coming out during the day, we believe that it's very likely that we will get some type of volatility. In general, if the minutes are fairly dovish, that should be bad for the US dollar, and good for precious metals. On a break above the \$15.20 level, we would become buyers of silver. From a technical point of view, the current rise is seen as corrective given that the overall trend is downward below the March 31 swing high of \$15.56. The trend is bearish as the March 31 swing high of \$15.56 is lower than the prior swing high of \$16.03, which was formed on March 22. Support levels are currently at last week's low of \$14.88.

Pivot:	15.05		
Support	14.97	14.88	14.76
Resistance	15.21	15.33	15.52

Highlights

- Silver fell after recovery in the dollar prompted some to cash in gains after yesterday's 1.8 rally in silver
- Price moves are muted as traders awaited the minutes of the Fed's last policy meeting
- The minutes, due to be published today, will be scrutinised for clues about the outlook for U.S. monetary policy
- Precious metal has eased off as investors focused to the equity markets
- Recent hawkish comments have capped gains in the market

Silver - Technical Indicators

RSI 14	43.83
SMA 20	15.40
SMA 50	15.27
SMA 100	14.68
SMA 200	14.85

Silver Daily Graph



Source: Meta Trader

Fundamentals

- The silver price appreciated more than one percent on Tuesday, snapping a two-day decline, as risk-averse traders hurried to buy safety-haven investments and sell risky assets like stocks amid a global stock-market selloff.
- The May silver price rose to as high as \$15.22 a troy ounce before trimming gains to settle at \$15.12 a troy ounce, or up 1.2%. The silver price had lost 3.4% over the past two sessions following a robust U.S. jobs report last week.
- The silver price is nearly 11% higher than its one-year low reached in December, but still 16% lower than its 52-week high of \$17.90 a troy ounce, touched last May.
- Silver is one of the best performing investments in 2016 with a 9.2% gain, preceded by gold (16% rally), and the Brazilian real (up 12%). Silver prices are higher by 1.55% today as it appears that the softer equity markets have triggered a demand for safe haven assets such as Gold and Silver.
- The current rise amounts to a 50% correction to the decline from the March 31 high of \$15.56 to the April 1 low of \$14.81. The bulk of this decline occurred following the U.S. NFP publication last Friday.
- The precious metal has eased off today as investors have their focus back towards the equity markets. U.S. Fed Chair Janet Yellen sparked a rally in precious metal late last month after saying the central bank should remain cautious about any further interest rate rises.
- However, recent hawkish comments have capped gains in the market. Boston Federal Reserve President Eric Rosengren and Chicago Fed President Charles Evans indicated this week that the market view about rate rises was pessimistic.
- While differences amongst policymakers are quite normal behind the scenes, seeing them played out in so public a manner does run the risk of muddying the message.

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

Wednesday, April 06, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Wed Apr 06	06:45	CNY Caixin China PMI Composite (MAR)	medium	51.3		49.4
Wed Apr 06	10:00	JPY Coincident Index	medium	110.3	110.3	113.5
Wed Apr 06	11:00	EUR German Industrial Production n.s.a. and w.d.a. (YoY) (FEB)	medium	1.3%	0.4%	1.8%
Wed Apr 06	13:10	EUR Markit Germany Retail PMI (MAR)	medium	54.1		52.5
Wed Apr 06	13:10	EUR Markit Eurozone Retail PMI (MAR)	medium	49.2		50.1
Wed Apr 06	16:00	USD MBA Mortgage Applications (APR 1)	medium	2.7%		-1.0%
Wed Apr 06	19:00	CAD Ivey Purchasing Managers Index s.a. (MAR)	medium		54.8	53.4
Wed Apr 06	19:30	USD DOE U.S. Crude Oil Inventories (APR 1)	medium			2299k
Wed Apr 06	19:30	USD DOE Cushing OK Crude Inventory (APR 1)	low			-272k

Source: Forex Factory, DailyFX

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