

Gold

Technical

Gold jumped to a three-week high early today. The catalysts behind the rally were expectations the Federal Reserve will not raise U.S. interest rates soon as the dollar drifted towards its lowest level in nearly eight months. Weak economic data and uncertainty over U.S. monetary policy has contributed to risk aversion, boosting investor appetite for gold bullion and other assets perceived as safer stores of value, including the Japanese Yen. The dollar is currently trading at a 17-month low against the Japanese Yen. Gold is likely to continue to move higher if the stronger Yen continues to pressure the dollar. Weaker equity prices could also drive gold prices higher. Despite the recent \$50 rally from its last bottom, June Comex Gold futures remain in a downtrend.

Pivot:	1,255		
Support	1,243	1,232	1,226
Resistance	1,262	1,271	1,285

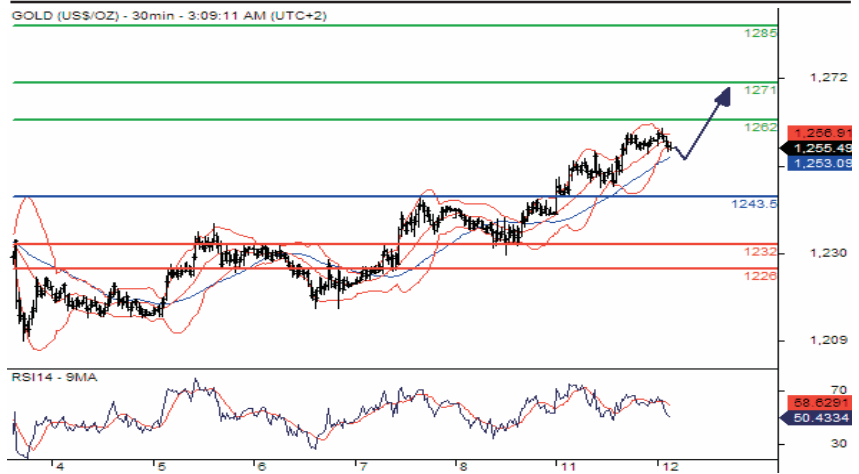
Highlights

- Gold prices rose to their highest in almost three weeks yesterday, setting the market on course toward \$1,300 an ounce
- Weak economic data and uncertainty over U.S. monetary policy has contributed to risk aversion
- Bullion and other assets perceived as safer stores of value
- Spot gold hit \$1,258.70 an ounce, its highest since March 22
- Loose monetary policy pursued by several central banks should point to even higher gold prices

Gold - Technical Indicators

RSI 14	58.80
SMA 20	1,235.14
SMA 50	1,230.69
SMA 100	1,157.36
SMA 200	1,141.12

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold rose to three-week highs on Tuesday as the dollar sank back to a near 8-month low, weighed down by expectations that the Federal Reserve will keep U.S. interest rates lower for longer.
- The U.S. currency has been on the back foot since Fed Chair Janet Yellen last month doused expectations for near-term hikes in U.S. interest rates, lifting dollar-priced assets, such as gold.
- Spot gold was up 0.2 percent at \$1,259.40 an ounce, having earlier touched a high of \$1,262.60 an ounce. U.S. gold futures for June delivery were up \$3.10 an ounce at \$1,261.10.
- Speculation that interest rates will stay low also helped gold and silver in their own right. Rising rates lift the opportunity cost of holding non-yielding assets such as bullion.
- Scaled-back expectations for further monetary tightening this year helped the precious metal to its best quarter in nearly 30 years in the three months to March, after the U.S. central bank raised rates in December for the first time in nearly a decade.
- Gold also benefited from weakness in stock markets, as a downbeat first batch of corporate results prodded European stock markets lower on Tuesday. The more people mistrust these other markets, the more gold benefits. So the future of the move in bullion is intrinsically linked to the performances of all the other markets.
- Demand for shares in the giant SPDR Gold Trust has meantime swelled by 27% so far this year, boosting the amount of gold needed to back the largest gold ETF to 817 tonnes despite a small outflow last week. Gold products used in Islamic finance would need to be physically-backed and allocated to the underlying asset.

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

Crude printed nearly three-week highs of 40.74, with the move coming after China stimulus expectations increased in the aftermath of cooler CPI data there. This said, the World Bank lowered growth prospects for East Asia and Pacific, which saw oil prices reverse some of its earlier gains. Prices moved lower hitting the 39.25, before reversing higher again. Support is seen near the 10-day moving average at 37.38, while resistance is seen near the 200-day moving average at 41.28, and then the March highs at 42.50. Momentum has turned positive as the MACD (moving average convergence divergence) index generated a buy signal.

This occurs as the spread (the 12-day moving average minus the 26-day moving average) crosses above the 9-day moving average of the spread. The index moved from negative to positive territory confirming the buy signal.

Pivot:	39.66		
Support	39.00	38.25	37.44
Resistance	41.25	41.75	42.50

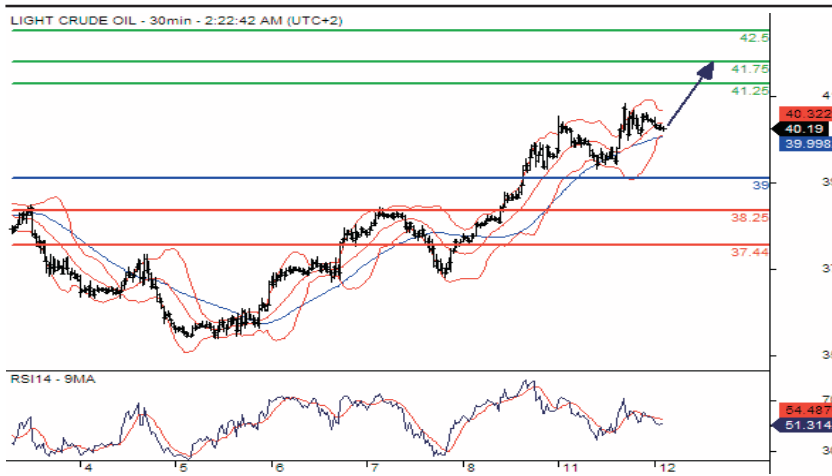
Highlights

- Oil futures shot higher today on hopes that key oil producers could agree on a production freeze this Sunday
- U.S crude oil rallied 1.1% to \$40.80 a barrel, extending gains from yesterday
- Crude prices were also buoyed by a weaker Dollar
- Market participants are viewing price falls as a good opportunity to buy
- Crude oil prices have been volatile as the market tried to gauge the likelihood of a concerted effort by the oil majors to tighten supply

Crude - Technical Indicators

RSI 14	54.48
SMA 20	39.71
SMA 50	36.25
SMA 100	35.59
SMA 200	39.50

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil reached a 2016 high above \$40 a barrel today, supported by hopes that an upcoming meeting of oil producers will agree steps to tackle a supply glut, and by a weak U.S. dollar and further signs of strong demand in China.
- Many members of OPEC plus outside producers such as Russia are meeting Doha, Qatar, on Sunday to discuss freezing output. The dollar fell to its lowest in nearly eight months against a basket of currencies, supporting commodities.
- Brent was up 50 cents and earlier in the session reached a 2016 high of \$43.53. U.S crude gained 39 cents to \$40.75 a barrel. The weak dollar is one important reason. Also, the fact that above \$40 at multi-month highs is also contributing to the price increase as it is prompting some speculative buying.
- Also supporting prices was rising vehicle sales in China - a further sign of strong gasoline demand in the No. 2 consumer and a plan by thousands of oil and gas workers in Kuwait to go on strike from Sunday.
- Oil prices have collapsed from above \$100 in mid-2014 due to oversupply. The Organization of the Petroleum Exporting Countries' decision in November 2014 to abandon its traditional role of cutting output helped deepen the decline.
- In a sign that oversupply may be easing, the structure of the crude market has strengthened and the discount at which the first-month contract is trading to the second known as contango has narrowed.
- Crude gained a boost last week after a surprise decline in U.S. inventories from a record high. But this week's U.S. supply reports are expected to show an increase in stocks of 2.8 million barrels.
- Industry group the American Petroleum Institute is scheduled to release its report on Tuesday at 4:30 p.m. EDT (2030 GMT), while the government's figures are due out on Wednesday.

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 absolutely exploded to the upside on Monday, as we race towards the \$16 handle. With this, pullbacks will more than likely continue to be opportunities to go long, as we continue to see a bit of bullish pressure over the longer term. We have been consolidating, but the lows have gradually gotten higher, and with that being the case it more than likely will break out to the upside eventually, but a little bit of exhaustion in the meantime wouldn't exactly be a surprise either. Pullbacks offer value that can build up more and more momentum in order to finally go much higher. In the meantime, expect a lot of volatility but it certainly looks as if bullish traders have taken over. Support can be found at Friday's low of \$15.15 as this is the current short-term trend defining level given that it's the most recently formed swing low. There are no known market-moving data releases scheduled for today.

Pivot:	15.83		
Support	15.66	15.52	15.43
Resistance	16.00	16.13	16.25

Highlights

- Silver prices jumped on declines in the U.S. dollar and bets the Federal Reserve will be cautious when increasing interest rates
- The silver price for May delivery gained 3.9% to \$15.98 a troy ounce
- The contract logged its highest settlement price since March 17
- Silver was the best performing metal today, followed by platinum (2.2%), gold (1.1%), and palladium (1.1%)
- The iShares Silver Trust ETF rose to \$15.20 yesterday

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

- Silver prices posted solid gains yesterday, amid bullish "outside markets" that saw the U.S. dollar index lower. Silver markets hit nearly three-week highs today. May Comex silver was last up \$0.551 at \$15.935 an ounce.
- The U.S. dollar index dropped to an eight-month low Monday as prices continue to trend lower in the wake of perceived dovish rhetoric coming from U.S. Federal Reserve officials.
- World stock markets were mixed overnight. China's equities market rose in part due to an upbeat inflation report that showed China's domestic consumer price inflation rising 2.3% in March, year-on-year, and unchanged from February.
- China's central bank wants to see an annual inflation rate of 3.0%. Traders and investors reckon this latest reading below 3.0% will allow the central bank to initiate further economic stimulus measures.
- There were no major U.S. economic reports released yesterday. While the silver price remains below the \$16 high it reached in mid-March, it's still up 14% and has plenty more room to run.
- However, silver prices this year have been overshadowed by gold's massive rally. While the gold price gained 16.5% in Q1 – marking the metal's best quarter in nearly 30 years – the silver price only gained about 10% over that period.
- It wasn't until Wednesday, April 6, that the price of silver saw a lot more action. After the release of the FOMC minutes – which indicated the Fed would likely keep interest rates unchanged in April – silver prices jumped 0.7% to settle at \$15.08
- By the end of week, the silver price was steadily pushing higher. It gained 0.3% to \$15.23 on Thursday and 1.1% to \$15.38 on Friday. With that, silver prices posted a weekly gain of 2.4% — the biggest weekly rise since March 4.

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

Tuesday, April 12, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue Apr 12	04:50	Japan Bank Lending incl Trusts (YoY) (MAR)	medium	2.0%		2.2%
Tue Apr 12	06:30	Australia NAB Business Confidence (MAR)	medium	6		3
Tue Apr 12	11:00	Japan Machine Tool Orders (YoY) (MAR)	medium	-21.2%		-22.5%
Tue Apr 12	11:00	German Consumer Price Index (YoY) (MAR)	medium	0.3%	0.3%	0.3%
Tue Apr 12	13:30	U.K Consumer Price Index (YoY) (MAR)	high	0.5%	0.4%	0.3%
Tue Apr 12	13:30	U.K Retail Price Index (YoY) (MAR)	low	1.6%	1.4%	1.3%
Tue Apr 12	13:30	U.K ONS House Prices (YoY) (FEB)	medium	7.6%		7.9%
Tue Apr 12	15:00	U.S NFIB Small Business Optimism (MAR)	low	92.6	93.7	92.9
Tue Apr 12	23:00	U.S Monthly Budget Statement (MAR)	medium		-104.0b	-52.9b

Source: Forex Factory, DailyFX

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