

## Gold

### Technical

June Comex Gold futures are trading lower shortly before the cash market opening. The market is also trading inside yesterday's range which suggests investor indecision and impending volatility. The catalyst behind the weakness is a stronger U.S. Dollar. Technically, the main trend is up according to the daily swing chart. However, momentum has been to the downside since the formation of the main top at \$1306.00 on May 2. The main range is \$1225.40 to \$1306.00. Its retracement zone is \$1265.70 to \$1256.20. This zone was tested successfully on Tuesday when the market found support at \$1258.30. The short-term range is \$1306.00 to \$1258.30. Its retracement zone at \$1282.20 to \$1287.80 is the primary upside target.

Pivot:	1,267		
Support	1,259	1,256	1,252
Resistance	1,273	1,279	1,283

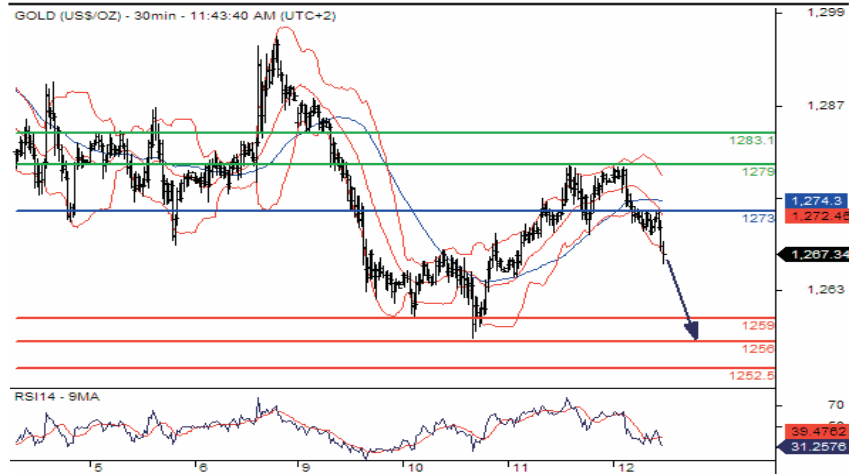
### Highlights

- Gold futures settled higher yesterday, rebounding from a nearly two-week low
- A pullback in the U.S Dollar boosted the appeal of the precious metal
- Gold for June delivery rose \$10.70, or 0.9%, to settle at \$1,275.50 an ounce in yesterday's trading session
- Gold demand surged 21 percent in the first quarter of 2016
- The SPDR Gold Trust is by far the most popular of all ETFs in 2016, with new inflows of \$7.6 billion to the \$34.1 billion fund

### Gold - Technical Indicators

RSI 14	55.80
SMA 20	1,265.17
SMA 50	1,249.47
SMA 100	1,207.97
SMA 200	1,158.02

### Gold Daily Graph



Source: Meta Trader

### Fundamentals

- Gold fell back below \$1,270 an ounce today as a strengthening dollar prompted some buyers to cash in gains after the metal posted its biggest daily rise this month in the previous session.
- Prices remained supported, however, by expectations the Federal Reserve will hold off raising interest rate at its June meeting, after hiking them for the first time in nearly a decade in December.
- The metal has risen nearly 20 percent this year as expectations for a near-term rate rise evaporated. Rising rates increase the opportunity cost of holding non-yielding gold. Spot gold was down 0.7 percent at \$1,268.13 an ounce, while U.S gold futures for June delivery were down \$5.60 at \$1,269.80. The metal hit a 15-month high last week at \$1,303.60, before slipping back below \$1,300.
- The weakness in gold which we're experiencing today is mainly due to the strength in the dollar. The dollar index rose 0.2 percent on Thursday, lifted by a drop in the yen as investors sold the currency amid speculation the Bank of Japan could decide to expand its monetary stimulus as soon as next month.
- Underlining optimism towards the metal, however, holdings of the world's largest gold-backed exchange-traded fund, SPDR Gold Shares, rose 2.7 tonnes to 841.9 tonnes, the highest since December 2013.
- Surging inflows into gold-backed exchange-traded funds drove global gold demand to its highest first-quarter total on record this year at 1,290 tonnes, the World Gold Council (WGC) said, despite a near 20 percent drop in jewellery demand.
- Demand in India, the world's second-biggest gold consumer, could rise as much as 10 percent in 2016 on good monsoon rainfall, the WGC added, despite consumer demand falling nearly 40 percent in the first quarter.

### 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 rose during the course of the session on Wednesday, testing the \$46 level. Because of the strength of the candle, it looks as if the market players are going to continue to push oil higher. The crude oil inventory numbers were much more bullish than expected by economists, as the United States reported 3.4 million barrels taken from inventory as opposed to an anticipated small gains. That being the case, this of course should continue to drive oil prices higher, and with the US dollar is starting to fall, it could continue to put quite a bit of pressure in this market. However, there is quite a bit of noise above, and there is quite a bit of resistance all the way to the \$50 handle. If the crude oil market break above there, it becomes a much more “buy-and-hold” type of situation. A pullback at this point in time will probably be looked at as value.

Pivot:	46.43		
Support	44.92	44.05	43.54
Resistance	46.80	47.39	48.15

### Highlights

- Oil prices rose toward six-month highs today, supported by data from the IEA showing tightening supply
- West Texas Intermediate U.S. crude futures were 35 cents higher at \$46.58
- The IEA raised its 2016 global oil demand growth forecast to 1.2 million bpd from its April forecast of 1.16 million
- Output from Nigeria, Libya and Venezuela is down 450,000 bpd from a year ago
- U.S crude inventories fell by 3.4 million barrels to 540 million barrels last week

### Crude - Technical Indicators

RSI 14	57.26
SMA 20	44.33
SMA 50	41.23
SMA 100	36.47
SMA 200	39.57

### Crude Oil Daily Graph



Source: Meta Trader

### Fundamentals

- Oil prices edged up today after a top energy monitor said that the global market is near balance. The International Energy Agency said that global oil stocks will experience a “dramatic reduction” in the second half of the year on the back of strong demand and falling supply by some major producers.
- A series of production outages around the globe have also taken barrels out of the market in recent weeks, providing support to prices. Still, in its closely watched monthly report the Paris-based agency said that global oil stocks will continue to increase in the first half of the year.
- Iran ramps up its production, adding to the nearly two years of oversupply that saw prices dropping to decade lows. On the New York Mercantile Exchange, West Texas Intermediate futures were trading up \$0.36, or 0.8%, to \$47.96 a barrel.
- The IEA said that the rise in Iran’s oil production and exports after the lifting of international sanctions has been “faster than expected”. Iran increased daily oil output by 300,000 barrels in April to 3.56 million barrels a day, a level last achieved in November 2011.
- That has helped to raise the combined output of the Organization of the Petroleum Exporting Countries last month to 32.76 million barrels a day, the highest since April 2008. Production outside the oil cartel continues to decline, the IEA said, led by a falling output in the U.S.
- Meanwhile, traders are monitoring production disruptions that have supported prices in recent weeks. According to the IEA, outages in Nigeria, Ghana and Canada have exceeded 1.5 million barrels a day so far.
- The market remains awash with oil as rising Middle Eastern output is more than offsetting declining U.S. shale production and the various temporary disruptions.

### US Commodity Futures Trading Commission (CFTC) Data

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	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

The silver market rose significantly during the day on Wednesday, touching the \$17.60 handle. We pulled back slightly, but ultimately it is only a matter of time before we continue to go higher, and perhaps try to reach towards the \$18 level. That is an area that has caused quite a bit of resistance recently, but it's only a matter of time before we break above there. Once we do, the market should continue on a "buy-and-hold" type of pattern. Pullbacks at this point continue to offer support and value below as we have seen such strength. The rise in silver has disrupted the bearish momentum to silver prices following their break to the May 4 low of \$17.17. Ideally, for the bearish momentum to remain intact the price would have had to correct part of its decline from the May 6 high of \$17.56 to the May 9 low of \$16.88, rather than silver having now regained almost all of its losses.

Pivot:	17.24		
Support	17.12	16.97	16.86
Resistance	17.39	17.45	17.58

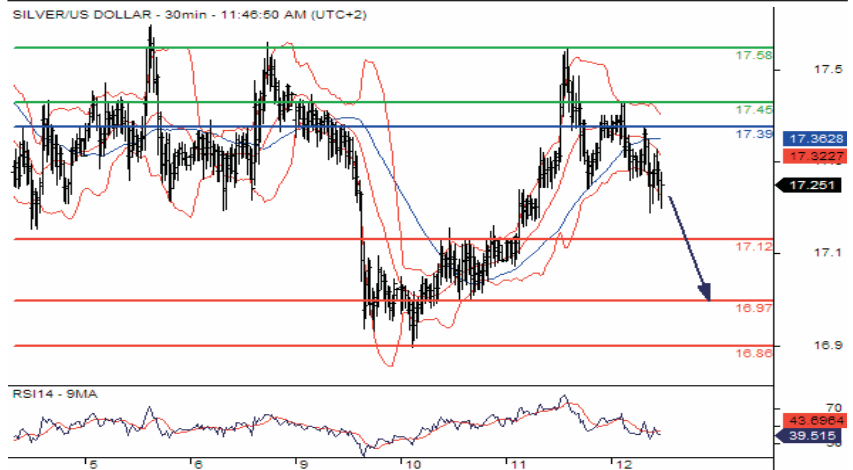
### Highlights

- Silver prices have slipped 0.6 percent to \$17.29 an ounce today
- Investors will be eyeing the weekly U.S. jobless claims tonight for trading cues later in the global session
- There was little news on what has triggered the rise on silver
- The soft USD had increased the demand for precious metals like silver
- The USD is softer against all of its G10 peers, with the exception of the GBP, which was down by 0.05%

### Silver - Technical Indicators

RSI 14	63.14
SMA 20	17.30
SMA 50	16.24
SMA 100	15.47
SMA 200	15.12

### Silver Daily Graph



Source: Meta Trader

### Fundamentals

- Yesterday the silver traded around \$17 an ounce. It's up for the year, but it hasn't been a straight line to this level. So far in May, the price of silver has risen about 4.3%. That compares to the S&P 500 Index that's up about 1% this month.
- The decline on April 27 was likely caused by the Federal Open Market Committee (FOMC) meeting, which, although it indicated no change to interest rates in the near term, did leave open the possibility that they might be hiked later in the year. The FOMC's next meeting is June 14-15.
- Thus, the market could be factoring in a future hike, and that's the reason why silver prices fell then. Overall, though, silver gained 15% in the month of April. And it's off to a great start in May.
- Silver prices in 2016 have risen more than 20%, a strong and rapid rise that at some points has outpaced that of gold, when it's usually the yellow metal that outpaces the white. It's an even stronger climb from the long bear market in the price of silver that existed from 2010 to 2015.
- Silver prices falling indicates how volatile the price of silver can be. It is affected by monetary policy, investor sentiment, and trader behavior. Silver prices have gained almost 4% over the last 34 hours and, at the time of writing, also challenged the May 6 high of \$17.56.
- There was little news on what has triggered the rise on silver, but the business press reports that the soft USD had increased the demand for precious metals like silver. The USD is softer against all of its G10 peers, with the exception of the GBP, which was down by 0.05% in today's trading.
- The U.S. NFIB Small Business Optimism index rose to 93.6 vs. the 93 expected and 92.6 level prior. The gain to the index has broken a declining trend, which had been in place since December 2015.

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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

Thursday, May 12, 2016



## Data Calendar

### Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Thu May 12	04:50	JPY Trade Balance - BOP Basis (Yen) (MAR)	medium	¥927.2b	¥906.0b	¥425.2b
Thu May 12	09:30	JPY Bankruptcies (YoY) (APR)	medium	-7.08%		-13.15%
Thu May 12	10:00	JPY Eco Watchers Survey: Current (APR)	medium	43.5	44.0	45.4
Thu May 12	10:00	JPY Eco Watchers Survey: Outlook (APR)	medium	45.5	46.2	46.7
Thu May 12	16:00	GBP Bank of England Rate Decision (MAY 12)	high	0.50%	0.50%	0.50%
Thu May 12	16:00	GBP BOE Asset Purchase Target (MAY)	high	375B	375B	375B
Thu May 12	17:30	USD Initial Jobless Claims (MAY 7)	medium		270k	274k
Thu May 12	17:30	USD Continuing Claims (APR 30)	medium		2120k	2121k
Thu May 12	17:30	CAD New Housing Price Index (YoY) (MAR)	medium		1.9%	1.8%

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

Laiq Ur Rehman      Tel: (+92-68) 5871653-55      Cell: 0300-8670967      laiq.queshi@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