

Gold

Technical

Gold finished lower last week, creating a new minor top at \$1306.00. The stronger Dollar was the catalyst behind the selling pressure. The Greenback posted a strong gain, boosted by better-than-expected economic news and the increased chance of an interest rate hike. The main trend is up according to the swing chart. The uptrend will resume on a trade through \$1306.00. The main trend will turn down on a trade through \$1207.70. The main range is \$1047.20 to \$1306.00. Its retracement zone at \$1176.60 to \$1146.10 is the primary downside target. The short-term range is \$1207.70 to \$1306.00. This zone was tested successfully last week. Based on the close, the direction of the market is likely to be determined by trader reaction this week.

Pivot:	1,282		
Support	1,276	1,265	1,261
Resistance	1,288	1,295	1,305

Highlights

- The gold price rose during Asian trading hours after China released weaker-than-expected economic data
- Chinese retail sales in April rose 10.1 percent year-on-year in April
- The US released positive economic data last Friday which sent the US dollar index to a three-week high
- US retail sales in April surged 1.3 percent, topping the forecast of -0.3 percent
- US PPI in April came in at 0.2 percent slightly below the 0.3 percent forecast

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 rose for a second session today, as slowing economic growth in China and weakness in Asian stock markets lifted the safe-haven appeal of the precious metal.
- Spot gold gained 0.6 percent to \$1,281.40 an ounce, while U.S. gold futures added 0.8 percent to \$1,282.90 an ounce. In the second quarter, \$1,300 to \$1,400 is a fairly reasonable price for gold as the central banks are not going to raise interest rate any time soon.
- China's investment, factory output and retail sales all grew more slowly than expected in April, adding to doubts about whether the world's second-largest economy is stabilising, data showed.
- Gold has gained around 20 percent this year after weak economic data in the United States and elsewhere eased expectations of a near-term increase in U.S. interest rates. Higher rates would lift the opportunity cost of holding non-yielding gold.
- Still, stronger-than-expected U.S. economic data last week renewed expectations the Federal Reserve will hike rates more than once this year, capping gains in precious metals.
- U.S. retail sales in April recorded their biggest increase in a year as Americans stepped up purchases of automobiles and a range of other goods, suggesting the economy was regaining momentum after growth almost stalled in the first quarter.
- Two Fed officials said the central bank should raise rates if data points to an improving economy. With global growth concerns remaining and markets still volatile, investors have begun flocking back to gold, always been considered a safe-haven asset. Global gold demand rose 21% to 1,290 tonnes in January-March, according to the World Gold Council.

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 slightly during the course of the session on Friday, but turned right back around to form a bit of a hammer. That being the case The market looks as if it is trying to go higher but we also have a shooting star on the Thursday candle, so it's likely that the market rising will be a bit difficult, but it certainly looks like we are more apt to go higher than lower at this point in time. There is plenty of noise just below though, so even if we drop from here, it's likely that the market will find plenty buyers and as a result we will have any interest in selling. However, we do recognize that there is going to be a lot of choppiness so having said that it's difficult to imagine it's going to be easy. Target support is seen near the 10-day moving average at 44.84, while resistance is seen near Thursday's highs at 46.78. Momentum appears to be flat with the MACD printing near the zero index level.

Pivot:	46.84		
Support	45.80	44.92	44.05
Resistance	47.70	48.15	48.80

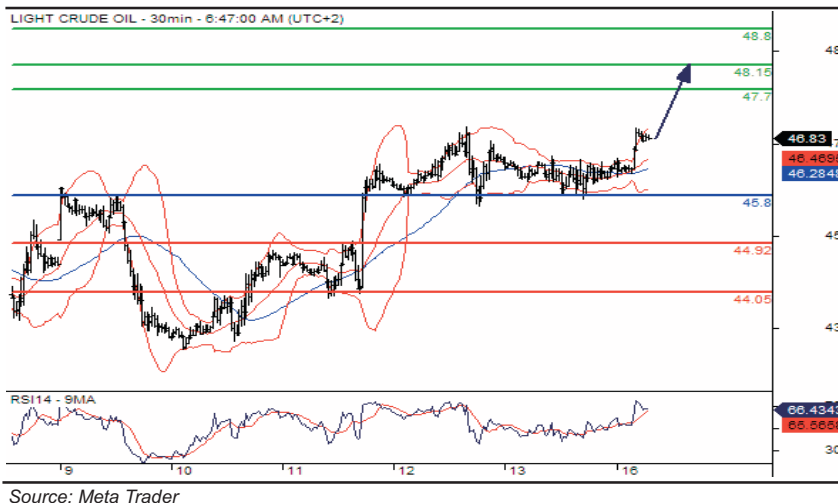
Highlights

- Oil prices jumped over 1 percent today after Goldman Sachs said the market had ended almost two years of oversupply
- U.S crude futures were up 68 cents, or 1.5 percent, at \$46.89 a barrel
- Supply disruptions from Nigeria, Venezuela, the U.S and China triggered a U-turn in the oil outlook of Goldman Sachs
- In the Americas, major oil exporter Venezuela seemed on the brink of meltdown
- In the United States, crude production has fallen to 8.8 million bpd

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



Fundamentals

- Oil prices jumped over 2 percent today to their highest since October 2015 on growing Nigerian oil output disruptions and after long-time bear Goldman Sachs said the market had ended almost two years of oversupply and flipped to a deficit.
- U.S crude futures were up 85 cents, or 1.8 percent, at \$47.06 a barrel. Supply disruptions around the world of as much as 3.75 million barrels per day (bpd) have wiped out a glut that pulled down oil prices by as much as 70 percent between 2014 and early 2016.
- The disruptions triggered a U-turn in the outlook of Goldman Sachs, which had long warned of global storage hitting capacity and of yet another oil price crash to as low as \$20 per barrel.
- "The oil market has gone from nearing storage saturation to being in deficit much earlier than we expected," Goldman said. "The oil market has gone from nearing storage saturation to being in deficit much earlier than we expected," Goldman said.
- However, Goldman cautioned that the market would flip back into a surplus in the first half of 2017 as it said prices around \$50 per barrel in the second half of 2016 would see exploration and production activity picking up.
- In Nigeria, output has fallen to its lowest in decades at around 1.65 million bpd following several acts of sabotage. In the Americas, U.S. officials warned they were growing increasingly concerned by the possibility of an economic and political meltdown in Venezuela amid low oil prices. Venezuela's oil production has already fallen by at least 188,000 bpd this year.
- In the United States, crude production has fallen to 8.8 million bpd, 8.4 percent below 2015 peaks as the sector suffers a wave of bankruptcies. And in China, output fell 5.6 percent to 4.04 million bpd in April, year-on-year.

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 during the course of the day on Friday, but turned back around at the \$16.80 level to form a bit of a positive candle. That being the case, we can break above the top of the range for the session on Friday, we believe that the market could go as high as the \$17.60 level. We have no interest in shorting, even if we break down from here. This is mainly because we see so much support down at the \$16 handle. With that being the case, we are cautiously optimistic in this market. Ultimately, this is a market that will probably try to reach towards the \$18 level, and if we can break above there possibly reach as high as \$19 after that. With that being the case, it looks like this is a market that you can only buy and not sell, but may have to do so from the shorter-term charts as there is a lot of room for longer-term trades at the moment.

Pivot:	17.30		
Support	17.18	17.04	16.93
Resistance	17.40	17.45	17.58

Highlights

- Silver futures for July delivery tacked on 2.9 cents, or 0.17%, on Friday to settle at \$17.13 a troy ounce
- On the week, silver futures dipped 32.8 cents, or 2.25%, the second straight weekly decline
- Retail sales rose 1.3% in April, posting its largest gain in a year, economists expected sales to increase 0.8%
- Americans stepped up purchases of automobiles and a range of other goods
- Consumer sentiment in May jumped to an 11-month high of 95.8

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

- Money managers added to their net-long positions in silver for the fourth time in five weeks, chasing the kind of returns that in the first three months of the year sent the precious metal to its best quarterly gain since 2012.
- The price surge is showing signs of fatigue, with futures posting two consecutive weekly declines and an almost 4 percent drop for May. Silver leapfrogged gold in mid-April as the best-performing precious metal as data signaled a resilient U.S. expansion and a stabilizing Chinese economy.
- The commodity entered a bull market a few days later. Optimism on the outlook for industrial demand has since wavered, as some factory gauges released this month fell short of expectations.
- Money managers increased their net-long holdings in silver by 7 percent to 71,656 U.S. futures and options contracts in the week ended May 10, according to Commodity Futures Trading Commission data released three days later. Futures fell 2.3 percent to \$17.132 an ounce last week on the Comex in New York. Prices are up 24 percent this year.
- Silver and other precious metals have benefited from mounting speculation that risks to global growth will restrain the Federal Reserve's pace of interest-rate increases.
- Lower borrowing costs are a boon to silver and gold because the metals don't offer yields or dividends. Silver, which also has more industrial uses, gained an added boost from reports last month showing improvement in Chinese and U.S. manufacturing.
- With data this month showing signs that manufacturing growth is in danger of stalling, some investors are reassessing the outlook. With data this month showing signs that manufacturing growth is in danger of stalling, some investors are reassessing the outlook.

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

Monday, May 16, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Mon May 16	03:30	NZD Performance Services Index (APR)	medium	57.7		55.1
Mon May 16	04:01	GBP Rightmove House Prices (YoY) (MAY)	medium		7.8%	7.3%
Mon May 16	04:50	JPY Domestic Corporate Goods Price Index (YoY) (APR)	low	-4.2%	-3.7%	-3.8%
Mon May 16	11:00	JPY Machine Tool Orders (YoY) (APR)	medium	-26.4%		-21.2%
Mon May 16	17:30	USD Empire Manufacturing (MAY)	low		6.50	9.56
Mon May 16	18:00	CAD Existing Home Sales (MoM) (APR)	medium			1.5%
Mon May 16	19:00	USD NAHB Housing Market Index (MAY)	medium		59	58
Mon May 16	20:30	USD U.S. to Sell 3-Month Bills	low			
Mon May 16	20:30	USD U.S. to Sell 6-Month Bills	low			

Source: Forex Factory, DailyFX

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