

Gold

Technical

Gold markets rallied on Thursday, as we reached towards the \$1230 into. I still think that there is a significant amount of bullish pressure in this market and I like buying dips. It looks as if we will test the \$1260 level again, and therefore I have no interest in selling. I believe the \$1200 level will now act as a bit of a floor in this market. Because of this, I think every time we dip, buyers will come back in looking for value as gold markets have been reasonably reliable for the year. Momentum has turned positive as the short term MACD (moving average convergence divergence) index generated a crossover buy signal. This occurs as the spread (the 5-day moving average minus the 13-day moving average) crossover above the 6-day moving average of the spread. The RSI (relative strength index) moved higher with price action reflecting accelerating positive momentum.

Pivot:	1,227		
Support	1,223	1,217	1,211
Resistance	1,233	1,237	1,241

Highlights

- Metals jumped across the board yesterday, with gold prices notching their highest finish in two weeks
- The U.S Fed raised interest rates, but struck a less hawkish tone than expected
- April gold rallied \$26.40, or 2.2%, to settle at \$1,227.10 an ounce, with prices ending at their highest level since March 2
- The precious metal bounced on the back of the cautious outlook given by the Fed
- The Dollar Index fell 0.3%, building on a roughly 1.2% slump from Wednesday

Gold - Technical Indicators

RSI 14	46.37
SMA 20	1,245.2
SMA 50	1,239.3
SMA 100	1,198.5
SMA 200	1,255.8

Gold Daily Graph



Source: Meta Trader

Fundamentals

- Gold prices held steady today and were on course for their first weekly gain in three, as the dollar plumed to fresh five-week lows after the U.S. central bank's signal of a slower pace of rate increases this year disappointed dollar bulls.
- The U.S. Federal Reserve delivered an interest rate increase earlier this week as widely anticipated, but did not alter its earlier forecast for a total of three rate increases this year, dashing hopes of dollar bulls who had waited for hints of a possible fourth hike in 2017.
- The dollar index, which measures the greenback against a basket of currencies, hit a fresh 5-week low of 100.160. Spot gold was nearly unchanged at \$1,226.31 per ounce after hitting its highest since March 6 in the previous session, while U.S. gold futures were little changed at \$1,226.20.
- What's happening now is just an inverse trade against the dollar. If there is a risk-averse sentiment, we can see both the gold and dollar rising together, especially after a Fed rate hike.
- Gold is highly sensitive to rising U.S. interest rates, as these increase the opportunity cost of holding non-yielding bullion, while boosting the dollar, in which it is priced.
- The market is not sure about the timing of a rate hike in the future. I would expect gold to trade in a wide band of \$1,190 - \$1,230 between the French elections and the U.S. Federal Reserve meeting in May.
- Holdings of SPDR Gold Trust fell 0.28 percent to 837.06 tonnes yesterday from 839.43 tonnes on Wednesday. The world's largest gold-backed exchange-traded fund saw outflows after three straight session of inflows this week. Gold may test a support at \$1,221 per ounce, a break below which could cause a loss to \$1,210.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	337251	72353	82%	120854	284003	30%	49448	31277	61%	384,974
01/03/2017	340748	74460	82%	115571	287002	29%	51148	36,819	61%	450555
01/10/2017	291266	84634	77%	116493	311865	27%	53520	32958	62%	499110
01/17/2017	274589	77454	77%	118610	304141	28%	49810	33791	60%	493086
01/24/2017	295688	67069	82%	127081	327075	28%	51562	30399	63%	510579

Source: CFTC

Crude Oil

Technical

The WTI markets trying to rally during the session on Thursday but gave back all of the gains yet again. It was that the market is going to continue to see massive bearish pressure, and I believe that we are going to go reaching towards the \$47 level from here. It might be a bit choppy, but ultimately I think the sellers are without a doubt going to be in control going forward as this market has struggled so much recently. Oversupply has been an issue for a very long time, and quite frankly I'm surprised it took this long to show up. I think of the target longer-term is going to be \$45 a barrel. Rallies all the way to the \$52 level should continue to face significant resistance, so I believe that they offer short-term selling opportunities for those of you that prefer shorter timeframe charge. Support on crude oil is seen near and upward sloping trend line that comes in near 47.25.

Pivot:	48.83		
Support	48.30	47.85	47.25
Resistance	49.05	49.63	50.13

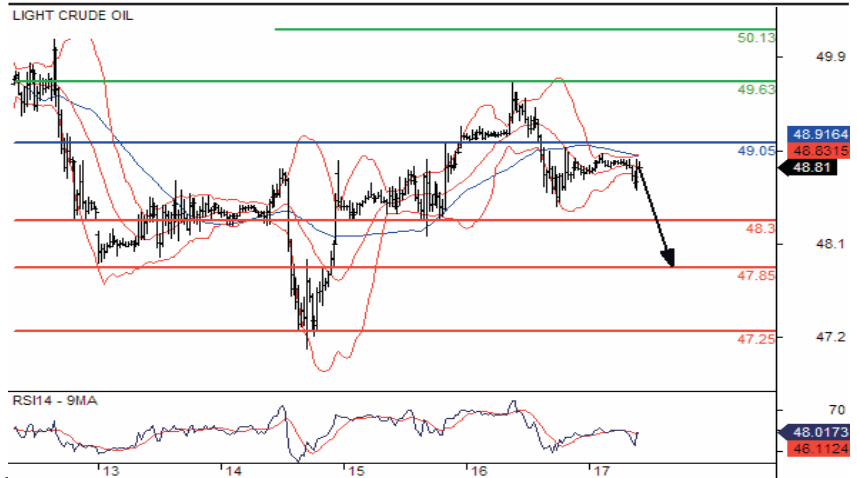
Highlights

- Oil headed for a weekly increase as U.S. stockpiles retreated from record levels
- Saudi Arabia said it's prepared to continue production curbs in the second half of the year
- Futures were little changed in New York, up 0.9 percent for the week
- U.S. inventories last week fell for the first time this year, according to Energy Information Administration data on Wednesday
- Output curbs by OPEC and its partners may continue past June if global stockpiles remain above the five-year average

Crude - Technical Indicators

RSI 14	43.33
SMA 20	53.59
SMA 50	53.12
SMA 100	51.31
SMA 200	48.72

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices edged up today, helped by a weaker dollar, as investors weighed the impact of OPEC production cuts against rising U.S. shale oil output and persistently high inventories.
- Saudi Energy Minister Khalid al-Falih said in yesterday's session that oil output cuts by the Organization of the Petroleum Exporting Countries and non-OPEC producers could be extended beyond June if oil stocks stayed above a long-term average.
- But analysts said the comments gave limited support because Riyadh has said it needs cooperation to rebalance the market and non-OPEC producers, such as Russia, have yet to deliver fully on reduction commitments in the first half of 2017.
- Brent crude was up 15 cents at \$51.89 a barrel. U.S. light crude was up 17 cents at \$48.92. The market remains relatively calm today with concerns about having to extend the production cut deal being offset by a weaker dollar.
- Oil prices, which lost ground earlier on Friday, have found some support from dollar weakness after the U.S. Federal Reserve indicated it would not accelerate plans for rate rises. The fall in the greenback boosted dollar-denominated crude.
- Investors will also look for more direction from data due later on Friday. The Baker Hughes weekly rig count will indicate activity in the U.S. shale industry and the U.S. Commodity Futures Trading Commission releases calculations of net long and short positions in the crude futures market.
- Oil prices fell sharply last week on concerns that OPEC-led production cuts were not reducing the global supply overhang as quickly as expected in the face of increased U.S. output.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	458,206	105,441	81%	560,983	925,531	38%	82,700	70,917	54%	1,598,935
01/03/2017	462,028	106,739	81%	557,217	927,085	38%	85,279	70,700	55%	1,615,844
01/10/2017	454,829	123,816	79%	571,328	916,651	38%	87,594	73,282	54%	1,619,796
01/17/2017	463,186	135,835	77%	560,029	897,400	38%	87,590	77,633	53%	1,623,027
01/24/2017	473,506	133,457	78%	558,910	898,363	38%	79,121	79,717	50%	1,613,293

Source: CFTC

Silver

Technical

Silver markets trying to rally during the session on Thursday but found the \$17.50 level to be too resistive. By forming a shooting star, it shows just how soft the market is. However, I believe that we will find buyers below again, especially near the \$17 handle. Short term, expect a pullback but longer term I still think there is plenty of buying pressure underneath the keep demand up for silver longer-term. This will be a volatile move, but then again silver is typically volatile as it is so highly manipulated by the larger banks such as JP Morgan. The bull needs to be cautious as silver moving near its trendline resistance. It is either break or rejection at the current level. For a while, traders could lock in profit and wait for confirmation either to close all position or place a short position. Investors may be better off with silver rather than gold. Silver is substantially undervalued compared to gold.

Pivot:	17.31		
Support	17.15	17.05	16.93
Resistance	17.40	17.54	17.65

Highlights

- Silver gained amid a slump in dollar, as investors mulled over the Fed's more dovish than expected statement on rate hikes this year
- U.S homebuilding jumped in February to near a 9-1/2-year high
- Fed's Yellen fielded a raft of questions concerning the Fed's decision to raise rates
- The BOJ's decision to stand pat on interest rates and yield curve targeting
- China's central bank raised short-term interest rates yesterday in what economists said was a bid to stave off capital outflows

Silver - Technical Indicators

RSI 14	46.12
SMA 20	18.04
SMA 50	17.48
SMA 100	17.12
SMA 200	18.11

Silver Daily Graph



Fundamentals

- Silver prices were little changed in yesterday's trading session before spiking in electronic trade later, boosted by a sharp drop in the dollar following the Federal Reserve's decision to raise interest rates for the second time in three months.
- May silver futures were up 54 cents, or 3.2%, at \$17.46 a troy ounce. The contract reached a session high of \$17.55 earlier. Precious metals gained as the U.S. dollar fell in the wake of the Federal Reserve's telegraphed decision to raise interest rates by a quarter percentage point on Wednesday. In reaching its decision, the Fed held kept its outlook on the economy and monetary policy virtually unchanged.
- The Fed's policy committee expects interest rates to rise three times in 2017. With one down, that leaves two to go. The central bank's next policy meeting is scheduled for May 2-3. Fed Futures prices imply a narrow probability of a rate hike at the next meeting.
- The dollar index was down 0.1% at 100.60 on Thursday, following a 1% decline during the previous session. The greenback was trading slightly lower against the euro and yen Thursday morning.
- The sharp divergence between precious metals and the dollar suggests higher interest rates had already been factored into each respective trade in the weeks leading up to the Fed decision.
- Other policy news yesterday included the Bank of Japan's decision to stand pat on interest rates and yield curve targeting, as expected. In economic data, annual inflation in the Eurozone was confirmed at 2% in February, the highest in four years. Core inflation, which strips out food, energy and tobacco products, held at 0.9%. U.S. homebuilding jumped in February as unseasonably warm weather boosted the construction of single-family houses.

US Commodity Futures Trading Commission (CFTC) Data

Date	Large Speculators			Commercial			Small Speculators			Open Interest
	Long	Short	Bullish	Long	Short	Bullish	Long	Short	Bullish	
12/27/2016	42,097	29,999	58%	56,157	75,843	43%	23,121	15,533	60%	132,501
01/03/2017	42,083	27,402	61%	54,280	79,052	41%	24,963	14,872	63%	132,475
01/10/2017	41,285	23,950	63%	53,875	79,404	40%	23,378	15,184	61%	131,294
01/17/2017	41,287	24,798	62%	58,869	83,678	41%	21,523	13,203	62%	136,158
01/24/2017	41,334	26,466	62%	60,600	84,551	42%	21,666	13,583	61%	139,468

Source: CFTC

Commodity News

Friday, March 17, 2017



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Fri Mar 17	02:30	NZD Business NZ Performance of Manufacturing Index (FEB)	Medium	55.2		52.2
Fri Mar 17	03:40	CNY Foreign Direct Investment (YoY) (FEB)	Medium	9.2%	-4.2%	-9.2%
Fri Mar 17	05:00	NZD ANZ Consumer Confidence (MoM) (MAR)	Low	-1.7%		-1.0%
Fri Mar 17	15:00	EUR Euro-Zone Trade Balance (euros) (JAN)	Low	-0.6b		23.1b
Fri Mar 17	17:30	CAD Manufacturing Shipments (MoM) (JAN)	Low		-0.5%	2.3%
Fri Mar 17	18:15	USD Industrial Production (FEB)	Medium		0.2%	-0.3%
Fri Mar 17	18:15	USD Manufacturing (SIC) Production (FEB)	Medium		0.3%	0.2%
Fri Mar 17	19:00	USD U. of Michigan Confidence (MAR)	High		97	96.3
Fri Mar 17	19:00	USD Leading Indicators (FEB)	Medium		0.4%	0.6%

Source: Forex Factory, DailyFX

Disclaimer: This document has been prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. This document and the information may not be reproduced, distributed or published by any recipient for any purpose.

Contact Details

IGI Commodity Team

Zaeem Haider Khan	(Head of Commodity)	Cell: 0321-4772883	Tel: (+92-42) 35777863-70	zaeem.haider@igi.com.pk
Syed Zeeshan Kazmi	(Assistant Manager)	Cell: 0321-4499228	Tel: (+92-42) 35777863-70	zeeshan.kazmi@igi.com.pk
Ehsan Ull Haq	(Commodity Trader - Lahore)	Cell: 0321-4861015	Tel: (+92-42) 35777863-70	ehsan.haq@igi.com.pk
Muhammad Naveed	(Branch Manager - Islamabad)	Cell: 0345-5599900	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Gul Hussain	(Branch Manager - Faisalabad)	Cell: 0344-7770878	Tel: (+92-41) 2540843-45	gul.hussain@igi.com.pk
Asif Saleem	(Branch Manager - Rahim Yar Khan)	Cell: 0334-7358050	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	(Branch Manager - Multan)	Cell: 0300-6348471	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk
Zeeshan Kayani	(Branch Manager - Abbottabad)	Cell: 0333-5061009	Tel: (+92-992) 408243-44	zeeshan.kayani@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of
Pakistan 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-FC.C Ground Floor, Syed Maratib Ali Road,
Gulberg II, Lahore.
Tel :(+92-42) 95777863-70, 35876075-76
Fax :(+92-42) 35763542

Islamabad Office

Mezzanine Floor Razia Sharif Plaza,
90-Blue Area G-7, Islamabad
Tel: (+92-51) 2802241-42, 2273439
Fax: (+92-51) 2802244

Faisalabad Office

Room #: 515-516, 5th Floor, State Life
Building, 2- Liaqat Road, Faisalabad
Tel: (+92-41) 2540843-45
Fax: (+92-41) 2540815

Stock Exchange Office

Room # 719, 7th Floor, KSE Building
Stock Exchange Road, Karachi
Tel: (+92-21) 32429613-4, 32462651-2
Fax: (+92-21) 32429607

Rahim Yar Khan Office

Plot #: 12, Basement of Khalid Market,
Model Town, Town Hall Road,
Rahim Yar Khan
Tel: (+92-68) 5871652-6
Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road, Multan
Tel: (+92-992) 408243-44

Abbottabad Office

Ground Floor, Al Fatah Shopping Center,
Opp. Radio Station, Mandehra Road,
Abbottabad
Tel: (+92-99) 2408243-44