

Gold

Technical

Gold markets initially rallied during the course of the session on Monday, but found the area above the \$1300 level be far too resistive. We ended up turning back around and forming a shooting star, and that of course is a very negative sign. However, what I do find interesting is that we managed to pierce the \$1300 level even after being overextended. Because of this, I feel that this market will continue to go higher given enough time but a pullback is probably needed in order to build up enough momentum to break out. That being the case, we see a couple of possible opportunities in this marketplace, such as a break above the top of the shooting star showing signs of a continuation of the bullish pressure, and a smashing through of the resistance.

Pivot:	1,292		
Support	1,287	1,281	1,270
Resistance	1,304	1,314	1,321

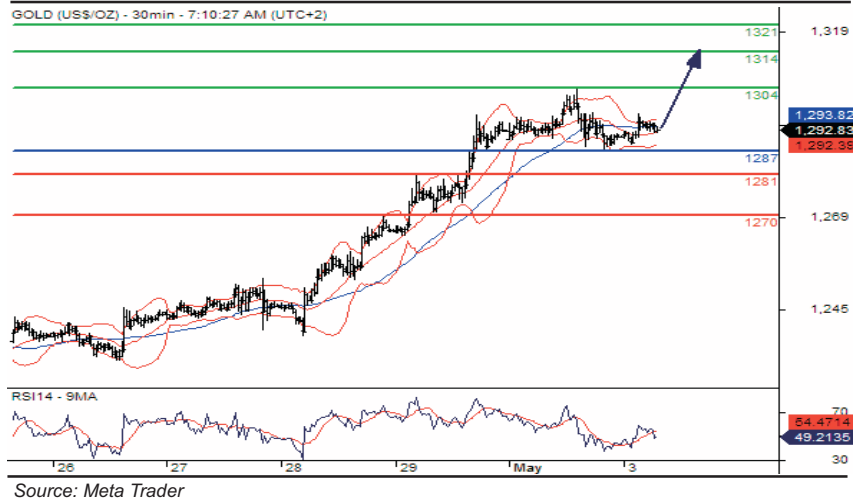
Highlights

- Gold nursed small losses yesterday, but the metal wasn't too far from a 15-month high on dollar weakness
- Assets of the biggest bullion fund rose to their highest in over two years
- The metal rose to its highest since January 2015 of \$1,303.60 but ended the day lower by 0.2 percent
- Gold has risen sharply in recent days after the dollar slumped
- Investors are closely watching U.S data to gauge the strength of the economy

Gold - Technical Indicators

RSI 14	67.74
SMA 20	1,253.14
SMA 50	1,246.69
SMA 100	1,193.36
SMA 200	1,153.12

Gold Daily Graph



Fundamentals

- Gold rose to around the \$1,300-an-ounce in today's trading session as the dollar and European shares fell, triggering further investment in physically-backed gold funds.
- The metal has rallied around five percent over the past few sessions to a 15-month high in yesterday's trading session after the Federal Reserve's cautious stance towards higher U.S. rates, as well as a soaring yen, weighed on the dollar.
- A weaker dollar makes gold cheaper for holders of foreign currencies. Spot gold climbed 0.5 percent to \$1,297.11 an ounce, after earlier hitting a session high of \$1,302.00. It hit its strongest since January 2015 at \$1,303.60 an ounce on Monday.
- The dollar weakness and strength in the gold price rally have triggered a sharp increase in money flowing into the SPDR Gold Trust, the world's top gold-backed exchange-traded fund (ETF). Assets of the fund rose 20.8 tonnes to 824.94 tonnes on Monday in the biggest increase since Feb. 22. Holdings are at their highest since December 2013.
- The recent weakness in the dollar triggered a lot of bullishness in the gold futures market which can easily reverse if the Fed turns more hawkish about hiking interest rates.
- Gold may consolidate in a range of \$1,289-\$1,304 for a day before rising again, Reuters technical analyst Wang Tao said. Investors will be eyeing U.S. data this week to gauge the strength of the economy and its impact on the Fed's monetary policy.
- Bullion is sensitive to rising interest rates, which lift the opportunity cost of holding non-yielding bullion. The key data will be U.S. nonfarm payrolls due on Friday. The U.S. economy is expected to have added 200,000 jobs in April.

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 during the day on Monday, breaking the bottom of the shooting star that form for Friday. That being the case, the market could very well drop a bit from here, as it has been a bit overextended. There is potential support at the \$44 level, and the \$42 level underneath that. Ultimately, this is a market that has quite a bit of bullish pressure underneath it though, so it's difficult to imagine that the trend has changed quite yet. A supportive candle below would be reason enough to go long, and it is not until we break below the \$42 level that we can even entertain the idea of selling as the bullish momentum has been so out of control. A break above the top of the shooting star is also bullish, but seems less likely as this is an area of contention. The candle is fairly strong for the session, and that of course suggests that we will get some follow-through.

Pivot:	45.05		
Support	44.40	43.75	43.15
Resistance	45.67	46.17	46.75

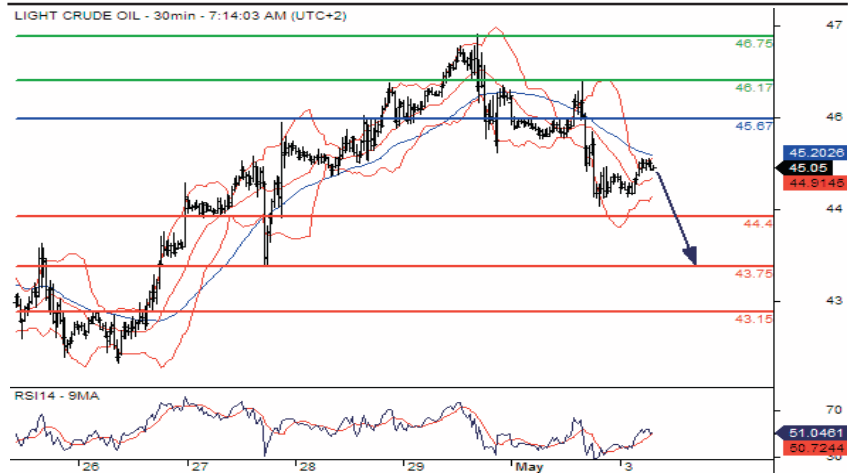
Highlights

- Oil traded below \$45 a barrel before weekly U.S. government data
- Oil has rebounded after slumping to the lowest since 2003 earlier this year
- Current prices may be a trigger for upstream activity to rebound
- Rivals in the Organization of Petroleum Exporting Countries are raising output, with Iraq and Iran leading the gains last month
- West Texas Intermediate for June delivery fell as much as 55 cents to \$44.23 a barrel on the New York Mercantile Exchange

Crude - Technical Indicators

RSI 14	60.84
SMA 20	43.11
SMA 50	40.01
SMA 100	35.88
SMA 200	39.50

Crude Oil Daily Graph



Source: Meta Trader

Fundamentals

- Oil prices fell today as concerns over Middle East supply continued to dampen sentiment in the market.
- The global crude benchmark Brent was down 0.33% at \$45.48 for July cargoes while its U.S. counterpart, West Texas Intermediate, dipped 0.80% on the New York Mercantile Exchange to \$44.40 a barrel for June deliveries.
- Brent has now already fallen by around 5% in the first days of the new month. Analysts say that the change of the front month benchmark futures contract from June to July is a major factor.
- But they also point to concerns over continued strong supply data from the Organization of the Petroleum Exporting Countries, after a monthly survey of OPEC producers by news agency Reuters yesterday suggested April output from the cartel was up 170,000 barrels a day month-on-month at 32.64 million barrels a day.
- Adding to oversupply concerns, Russia announced April production of 10.84 million barrels a day on Monday, a figure only marginally lower than its March 30-year high of 10.91 million barrels a day. Nevertheless, there are several market factors that may offer some support to the oil price.
- The dollar continues to fall in foreign exchange markets, which will typically make oil cheaper to buy for those holding other currencies. The dollar index was down 0.2% yesterday. Recent data from London's ICE exchange also suggests that many traders remain confident about the future oil price.
- Speculative long positions, or bets that the oil price will gain, remain at record levels with 408,700 Brent contracts. Speculative financial investors are remaining loyal to crude oil and thus precluding any price correction. Later today, the U.S. industry body the American Petroleum Institute releases its weekly forecast for domestic crude inventory levels.

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

The silver market initially tried to rally during the course of the day on Monday, but found the \$18 level be far too resistive to continue going higher. The market then pulled back as one would expect but there is plenty of support below to keep the summer markets going higher. On top of that, the US Dollar Index broke down and it should continue to put upward pressure on the silver market. However, we are a bit overextended so a pullback to find more momentum would be more than reasonable, and therefore expected. In the near term, the psychological level of \$18 may act as resistance and followed by the January 27, 2015 high of \$18.23. Short-term support levels are the psychological level of \$17.50, followed by the April 27 low of \$17.08 and the April 25 low of \$16.82. The trend is bullish above the April 27 low of \$17.08 low as it is the most recent swing low.

Pivot:	17.58		
Support	17.42	17.25	17.08
Resistance	17.81	18.00	18.15

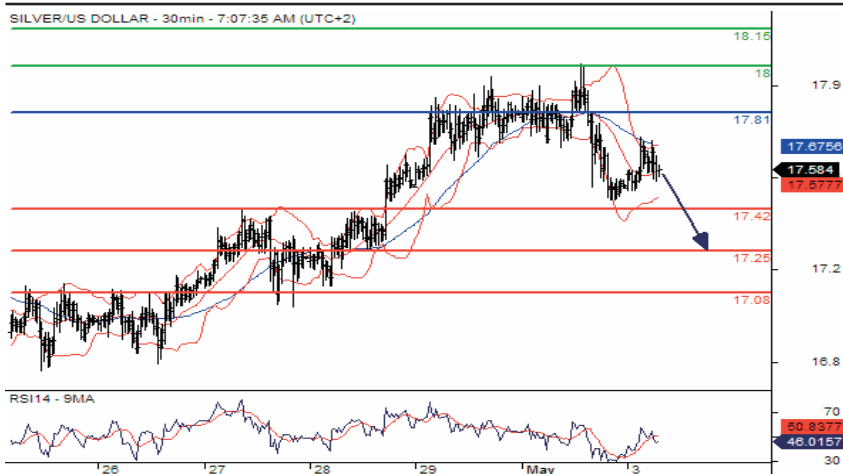
Highlights

- Silver is up 0.2 percent, after hitting a 15-month high of \$18.0 yesterday
- The key data will be U.S. nonfarm payrolls due on Friday
- The U.S economy is expected to have added 200,000 jobs in April, slightly lower than March
- Silver prices reached their highest level since January 2015 driven by the BOJ's decision to hold off expanding monetary stimulus
- The dovish U.S Federal Reserve monetary policy statement also helped support the surge in prices

Silver - Technical Indicators

RSI 14	71.02
SMA 20	16.84
SMA 50	15.96
SMA 100	15.23
SMA 200	15.03

Silver Daily Graph



Source: Meta Trader

Fundamentals

- silver prices rallied 2 percent to their highest since January last year on Friday as the Bank of Japan's decision the previous day to hold off expanding monetary stimulus weighed heavily on the dollar, and European and U.S. stocks fell.
- The yen hit an 18-month peak versus the U.S. currency and was on course for its biggest weekly gain since the 2008 financial crisis, with poor U.S. growth and the Federal Reserve's cautious stance this week weighing on the dollar.
- All the precious metals are up quite strongly on the back of weakness in the dollar, after poor GDP data in the United States and a lack of action by the Bank of Japan.
- The Fed's policy statement on Wednesday, after leaving interest rates unchanged, also supported silver. The U.S central bank showed little sign it was in a hurry to tighten monetary policy.
- Silver was up 1.5 percent at \$17.80 an ounce, having touched its highest since January 2015 at \$17.96 and being on track to rise 15.3 percent this month, its biggest gain since August 2013 as it plays catch-up after lagging gold during its first-quarter surge.
- The gold/silver ratio, which measures the number of silver ounces needed to buy an ounce of gold, fell to a six-month low on Friday of 71.8, down from 81.3 at the start of the month.
- Silver prices are relatively expensive and nearing a key technical resistance area, the news from the Fed is likely to support higher prices into June as long as there aren't any U.S economic surprises between now and then.
- Some investors believe that silver prices could rally the rest of the year. This is based on the notion that the economy is too weak for the Fed to raise rates at all in 2016.

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, May 03, 2016



Data Calendar

Economic Data

Date	Time	Event	Importance	Actual	Forecast	Previous
Tue May 03	06:45	CNY Caixin China PMI Mfg (APR)	medium	49.4	49.8	49.7
Tue May 03	09:30	AUD Reserve Bank of Australia Rate Decision (MAY 3)	high	1.75%	2.00%	2.00%
Tue May 03	13:30	GBP Markit UK PMI Manufacturing s.a. (APR)	medium	49.2	51.2	50.7
Tue May 03	14:00	EUR European Commission Economic Forecasts	medium			
Tue May 03	17:00	NZD Dairy Auction Whole Milk Powder MT (MAY 3)	high			\$2,156
Tue May 03	17:00	NZD Dairy Auction Avg. Winning Price MT (MAY 3)	high			\$2,263
Tue May 03	18:45	USD ISM New York (APR)	low			50.4
Tue May 03	19:00	USD IBD/TIPP Economic Optimism (MAY)	low		46.5	46.3
Tue May 03	21:30	CAD Bank of Canada's Poloz Speaks on Panel in Los Angeles	medium			

Source: Forex Factory, DailyFX

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