



## COMMODITY COMPASS

19 MARCH 2019

### INDIAN COMMODITIES

Commodity	Expiry	S1	S2	Pivot	R1	R2	Trend
Gold	APR	31455	31553	31652	31750	31849	Down
Silver	MAY	37556	37731	37926	38101	38296	Down
Aluminum	MAR	142.2	144.4	145.6	147.8	148.9	Down
Copper	APR	439.5	441.4	444.4	446.4	449.4	Down
Nickel	MAR	868.5	879.3	889.3	900.1	910.1	Down
Lead	MAR	135.8	137.3	139.8	141.4	143.9	Down
Zinc	MAR	190.9	191.9	193.3	194.3	195.7	Down
Crude Oil	MAR	3953	4005	4035	4087	4117	Indecisive
Natural Gas	MAR	187.8	191.9	194.6	198.7	201.4	Indecisive

### Bullion—Gold



Gold prices extended their rally on Monday for most part of the day on courtesy of a patient Fed. With the Federal Reserve likely to announce another stay on interest rates at the end of the second of eight regular meetings on Wednesday, speculators helped gold to a slightly above \$1,300 territory however by the end of the trade gold futures settled a touch lower, with the benchmark April contract shedding \$1.40 to end the day's trade at \$1,301.50 per ounce. Investors sold down the dollar ahead of the Fed's two-day meeting, pushing speculators toward precious metals that serve as alternate store of

value. The dollar index slid by 0.1% to 95.968, after hitting a near-three-week low at 95.828. The Fed is widely expected to keep monetary policy unchanged at the end of its two-day policy meeting on Wednesday and policymakers will also update their projections for future rate hikes. Formation of small bear candle in Mcx April Gold futures suggest prices are heading towards South however we advise traders to wait for further confirmation to initiate any fresh positions.



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## BASE METALS — COPPER



Copper prices continued to slid in yesterday's trade as lackluster Chinese data released earlier in the last week failing to inspire the bull trend for the base metals. Data released by China's National Bureau of Statistics on last Thursday showed the country's economy slowed further in the first two months of 2019 after growth of industrial production fell to 5.3% in January-February, down from 5.7% in the same period a year ago. It was also below the expected gain of 5.5%. Growth in China's fixed asset investment quickened to 6.1% for the first two months of 2019, in line with analysts' forecasts and up from 5.9% previously. Retail sales were marginally better than expected with a year-on-year rise of 8.2% in January-February - forecasts had been for an 8.1% increase. With mixed news on the trade talks and formation of small bear candle in Mcx April futures with a close below the trend line as shown in the chart suggest prices could slide further supported by increase in Volumes. Hence we advise traders to stay short at 444 levels with stops above 448 levels targeting 437 levels.

## ENERGY — CRUDE



WTI crude settled up 57 cents at \$59.09 per barrel in yesterday's trade after hitting a four-month high of \$59.54 in response to remarks by the energy ministers of Saudi Arabia and Russia that the two partners under the OPEC+ alliance will be more aggressive than ever in reducing output. Saudi Energy Minister Khalid al-Falih told reporters in the Azerbaijan city of Baku at the weekend, where OPEC+ met for a preliminary review of its production cuts, that the alliance's work in so-called market rebalancing was far from over. Falih has been cautious not to sound like a price hawk since the OPEC+ campaign began in January, stressing that there should be adequate oil supply as much as there shouldn't be a glut. Falih also said that uncertainties over Iranian and Venezuelan supplies were also complicating the market rebalancing. The U.S. holds the keys to production in those two OPEC members through sanctions, giving the Trump administration, which wants lower oil prices. Formation of another small candle in Mcx Crude March futures with a close between two trend lines as shown in the chart suggest indecisiveness and advise traders to wait for fresh positions.



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## ECONOMIC CALENDAR (ALL TIMES IN IST)

EVENT	COUNTRY	TIME	FORECAST	PREVIOUS
Labour Market Report (ILO Unemployment)	UK	15:00 IST	4	4
Labour Market Report (Claimant Count-Chg)	UK	15:00 IST	13000	14200
Labour Market Report (Claimant Count)	UK	15:00 IST	2.8	2.8
Labour Market Report (Av. Earnings-Y/Y)	UK	15:00 IST	3.2	3.4
ZEW Survey (Current Conditions)	Germany	15:30 IST	12	15
ZEW Survey (Bus. Expectations)	Germany	15:30 IST	-11	-13.4
Redbook	US	18:25 IST		
Redbook (Store Sales Y/Y change)	US	18:25 IST		4.4
Factory Orders (Factory Orders - M/M change)	US	19:30 IST		0.1

## PICK OF THE DAY

COMMODITY	EXCHANGE	EXPIRY	STRATEGY	ENTRY	TARGET	STOP LOSS
ZINC	MCX	MAR	SELL	193.5	190	195



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