



## COMMODITY COMPASS

20 MARCH 2019

### INDIAN COMMODITIES

Commodity	Expiry	S1	S2	Pivot	R1	R2	Trend
Gold	APR	31525	31743	31874	32092	32223	Indecisive
Silver	MAY	37756	38005	38193	38442	38630	Indecisive
Aluminum	MAR	144.8	146.5	147.5	149.2	150.2	UP
Copper	APR	438.9	443.3	446.9	451.3	454.9	Down
Nickel	MAR	877.9	891.1	902.5	915.7	927.1	Indecisive
Lead	MAR	137.4	138.5	139.5	140.6	141.7	Indecisive
Zinc	MAR	190.8	193.9	195.6	198.8	200.5	Indecisive
Crude Oil	APR	4039	4070	4107	4138	4175	Indecisive
Natural Gas	MAR	191.9	195.1	197.4	200.6	202.9	UP

### Bullion—Gold



Gold prices rose on Tuesday as U.S. Federal Reserve kicked off its March FOMC meeting. Precious metals traders will be monitoring the tone in the U.S. dollar ahead of a Federal Reserve meeting expected to shed more light on the outlook for U.S. interest rate hikes this year. 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. In January the Fed indicated that it will be patient as it considers more rate hikes, amid concerns over slowing global growth. Further market was witnessing recent streak of weak economic reports and underlined the case for the Fed's patient stance on further rate hikes this year.

Since US indicators have been mixed and with macro headwinds rising in March the yellow metal is well positioned to be the beneficiary if investors seek the safety of gold if Brexit negotiations take a volatile turn. Formation of small bull candle in Mcx April Gold futures which has tested trend line resistance suggest traders have to wait for further confirmation to initiate any fresh positions.



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## BASE METALS — COPPER



Copper prices ticked up on Tuesday, supported by China's announcement to cut tax for manufacturers from April to boost growth. Sentiment was largely constructive as investors continued to view China's latest policy moves as positive for metals demand. China will cut value-added tax for manufacturing and other sectors on April 1, Premier Li Keqiang said on Friday, adding that cuts in taxes and fees remained a key measure to cope with downward pressure on its economy. On the other side US-China trade negotiations hit a rough patch and with Chinese pushback could come further delays to a full agreement. Trade Representative Lighthizer and Treasury Secretary Mnuchin will fly to Beijing next

week hoping to get negotiations back on track. Formation of small bull candle in Mcx April futures with a close below the trend line and as prices continue to trade in the parallel line we advise traders can trade in both directions however with the trade news around the corner suggest a caution and we advise traders to wait for further confirmation to initiate any fresh positions.

## ENERGY — CRUDE



U.S. West Texas Intermediate crude and London's Brent, the global benchmark for oil, hit 2019 highs on Tuesday, extending the previous session's rally spurred by OPEC's plans to cut oil exports through June. But after the session peaks, benchmarks retreated, with U.S. crude closing slightly down. WTI May futures, settled down 9 cents at \$59.29 per barrel, after scaling \$59.86 earlier, its highest since November. Oil prices have jumped about 30% this year, underpinned by aggressive production cuts carried out by the 14-member OPEC headed by Saudi Arabia and another 10 allies of the oil-producing club led by Russia. The Trump administration's sanctions on Iranian and Venezuelan crude have further restricted global

supplies amid a production drop lately of the otherwise prolific U.S. shale oil. Traders now look ahead to what the US government-run Energy Information Administration likely say about oil supply-demand for last week. Formation of another small candle in Mcx Crude March futures with a close below 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
MBA Mortgage Applications (Composite Index - W/W Change)	US	16:30 IST		2.3
MBA Mortgage Applications (Purchase Index - W/W Change)	US	16:30 IST		4
MBA Mortgage Applications (Refinance Index - W/W Change)	US	16:30 IST		-0.2
MBA Mortgage Applications	US	16:30 IST		
EIA Petroleum Status Report	US	20:00 IST		
EIA Petroleum Status Report (Crude oil inventories [weekly change])	US	20:00 IST		-3.9
EIA Petroleum Status Report (Gasoline [weekly change])	US	20:00 IST		-4.6
EIA Petroleum Status Report (Distillates [weekly change])	US	20:00 IST		0.4
FOMC Meeting Announcement (Federal Funds Rate - Target Level)	US	23:30 IST	2.38	2.38



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