



COMMODITY COMPASS

22 MARCH 2019

INDIAN COMMODITIES

Commodity	Expiry	S1	S2	Pivot	R1	R2	Trend
Gold	APR	31604	31711	31875	31982	32146	Indecisive
Silver	MAY	37756	38005	38193	38442	38630	Indecisive
Aluminum	MAR	143.3	144.1	145.4	146.2	147.6	Down
Copper	APR	436.9	440.2	444.8	448.1	452.7	Down
Nickel	MAR	869.2	880.7	895.5	907.0	921.8	Down
Lead	MAR	138.7	139.4	140.2	140.8	141.6	Down
Zinc	MAR	195.4	196.4	198.1	199.1	200.9	Down
Crude Oil	APR	4076	4111	4137	4172	4198	UP
Natural Gas	MAR	191.4	192.8	193.7	195.1	196.0	Indecisive

Bullion—Gold



Gold prices rallied in yesterday's trade notching a month's high above \$1,300 in early trade, but it fell back as the dollar bolted up on data showing the number of Americans filing applications for unemployment benefits fell more than expected last week. Earlier in yesterday's trade prices gained as the Federal Reserve's reassurance of a benign interest rate regime in the U.S. through 2019 communicated through its decision on not to raise rates again in March, battered the dollar on Wednesday. The dollar index, which measures the greenback against a basket of six currencies, rose by 0.8% to 95.947. The dollar was also bolstered by another report indicating a sharp re-

bound in factory activity in the mid-Atlantic region this month from heavy falls earlier. Formation of small bear 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 fell sharply after testing one month highs in yesterday's trade in Nymex ticked despite China's announcement to cut tax for manufacturers from April to boost growth. Earlier in the week 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 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 strong bear candle in Mcx April futures with a close just above the trend line and as prices continue to trade in the trend line shown we advise traders to wait for the close below horizontal trend line to initiate fresh shorts as bias remains weak in the base metals complex.

ENERGY — CRUDE



WTI prices settled down 25 cents in yesterday's trade to close at \$59.98. The U.S. crude benchmark gained 1.4% in the previous session, cracking \$60 resistance, after the EIA announced a surprise crude inventory drawdown of nearly 10 million barrels last week versus expectations for a 300,000-barrel build. Aggressive OPEC cuts, virtually-frozen Venezuelan oil exports, U.S. crude stockpile slumps and friendly interest rates in the United States are stoking to chase prices to new 2019 highs after West Texas Intermediate futures breached the \$60 per barrel mark on Wednesday for the first time since November. But a still-wobbly Chinese and global economy and the possibility of a

new wall of U.S. supply from shale operators reveling in profits to be made at current prices are also fostering enough negativity to temper funds from rushing into new long positions. Formation of another small candle in Mcx Crude March futures with a close marginally above the horizontal trend as shown in the chart suggest marginal bullishness and we advise traders to wait for the weekly close above the trend line to initiate any fresh longs.



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ECONOMIC CALENDAR (ALL TIMES IN IST)

EVENT	COUNTRY	TIME	FORECAST	PREVIOUS
Existing Home Sales (Existing Home Sales - Level - SAAR)	US	19:30 IST	5.1	4.94
Existing Home Sales (Existing Home Sales - M/M Change)	US	19:30 IST		-1.2
Existing Home Sales (Existing Home Sales - Yr/Yr Change)	US	19:30 IST		-8.5
Wholesale Trade (Inventories - M/M change)	US	19:30 IST	0.1	1.1
Baker-Hughes Rig Count (N. Amer. Rig Count)	US	22:30 IST		1187
Baker-Hughes Rig Count (U.S.)	US	22:30 IST		1026
Baker-Hughes Rig Count (Gulf of Mexico)	US	22:30 IST		22
Baker-Hughes Rig Count (Canada)	US	22:30 IST		161
Baker-Hughes Rig Count	US	22:30 IST		
Treasury Budget (Treasury Budget - Level)	US	23:30 IST	-227	8.7

PICK OF THE DAY

COMMODITY	EXCHANGE	EXPIRY	STRATEGY	ENTRY	TARGET	STOP LOSS
ZINC	MCX	MARCH	SELL	198.5	195	200



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