



COMMODITY COMPASS

25 MARCH 2019

INDIAN COMMODITIES

Commodity	Expiry	S1	S2	Pivot	R1	R2	Trend
Gold	APR	31430	31785	31975	32330	32520	Up
Silver	MAY	37979	38171	38359	38551	38739	Up
Aluminum	MAR	143.5	144.6	145.3	146.4	147.0	Indecisive
Copper	APR	431.1	434.3	439.5	442.7	447.9	Down
Nickel	MAR	881.0	887.4	892.9	899.3	904.8	Down
Lead	MAR	138.3	139.0	139.8	140.5	141.3	Down
Zinc	MAR	194.2	195.6	197.5	199.0	200.9	Indecisive
Crude Oil	APR	3998	4037	4091	4130	4184	Down
Natural Gas	MAR	188.9	190.3	192.1	193.5	195.3	Down

Bullion—Gold



Gold futures for April delivery settled up 0.47% at \$1,313.40 on Friday in Comex for a third straight weekly gain. Price action in gold continues to lend strength to our view that expected data deterioration will help spark a gold rally as interest rates continue to fall in the context of a slowing global economy. Earlier gold could not break above \$1,320 on the upside and saw a correction but with the geopolitical and the uncertain Brexit situation, we may still be heading higher. The Fed kept interest rates on hold earlier this month and indicated that

there would be no further rate hikes this year after indicating in December that two could take place. 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. Formation of strong bull in Mcx April Gold futures with the close above trend line as shown in the chart suggest strength supported by increase in Volumes. However we advise traders have to wait for further confirmation to initiate any fresh positions.



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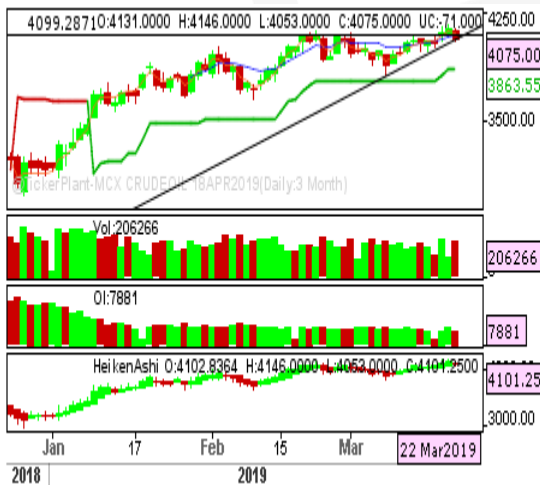
BASE METALS — COPPER



Copper prices fell sharply on Friday after testing one month highs earlier in the week in Nymex ticked despite China's announcement to cut tax for manufacturers from April to boost growth. Earlier in the last 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 increase in Volumes and open interest suggest prices are heading south and we advise traders to stay short in Mcx April futures at 441 levels with stops above 445 levels targeting 437 levels.

ENERGY — CRUDE



Oil futures settled lower on Friday, with prices pulling back from four-month highs as worries about the global economy weighed. U.S. WTI Crude declined 94 cents to settle at \$59.04 a barrel by close of trade. It went as high as \$60.39 on Thursday, the most since Nov. 12. For the week, the U.S. benchmark ended up 0.9%. Worries about a broadening global economic slowdown which could threaten demand for crude are likely to have the biggest impact on oil markets in the week ahead. Oil traders will also focus on the outlook for global crude supplies amid signals that OPEC-led production cuts have helped tighten an oversupplied market.

OPEC, which together with some non-affiliated producers like Russia, known as 'OPEC+', agreed late last year to reduce output by 1.2 million barrels per day (bpd) to remove a glut and prop up prices. Formation of another small candle in Mcx Crude March futures with a close marginally above the trend line as shown in the chart suggest marginal indecisiveness and advise traders to wait for further confirmation to initiate any fresh positions.



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ECONOMIC CALENDAR (ALL TIMES IN IST)

EVENT	COUNTRY	TIME	FORECAST	PREVIOUS
Ifo Survey (Economic Sentiment)	Germany	14:30 IST		98.5
Ifo Survey (Bus. Expectations)	Germany	14:30 IST		93.8
Ifo Survey (Current Conditions)	Germany	14:30 IST		103.4
Chicago Fed National Activity Index (Level)	US	18:00 IST	0.1	-0.43
Chicago Fed National Activity Index (3 Month Moving Average)	US	18:00 IST		0.16

PICK OF THE DAY

COMMODITY	EXCHANGE	EXPIRY	STRATEGY	ENTRY	TARGET	STOP LOSS
COPPER	MCX	APR	SELL	441	434	445



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