



COMMODITY COMPASS

26 MARCH 2019

INDIAN COMMODITIES

Commodity	Expiry	S1	S2	Pivot	R1	R2	Trend
Gold	APR	32007	32115	32181	32289	32355	Up
Silver	MAY	38251	38421	38522	38692	38793	Up
Aluminum	MAR	143.1	145.4	147.1	149.4	151.1	Indecisive
Copper	APR	432.9	435.0	436.4	438.5	439.9	Indecisive
Nickel	MAR	877.5	883.1	886.2	891.8	894.9	Indecisive
Lead	MAR	136.2	137.0	138.3	139.1	140.5	Down
Zinc	MAR	193.8	196.2	197.5	199.9	201.2	Indecisive
Crude Oil	APR	4003	4049	4077	4123	4151	Indecisive
Natural Gas	MAR	185.6	187.7	189.0	191.1	192.4	Indecisive

Bullion—Gold



Gold futures for June delivery on the Comex gained sharply up \$10.30 and settled at \$1,329 per ounce after posting a high of \$1,330.75 earlier. Equity markets and the dollar, both contrarian trades to gold, declined in sluggish activity, adding to gold's lure as a safe haven. Brexit uncertainties, fresh concerns over lower U.S. economic growth, an overly cautious Federal Reserve and uncertainties on the China negotiations continue to encourage precious metals complex. 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 Mx April Gold futures with the close above trend line as shown in the chart suggest strength and we advise traders to stay long at 32150 levels with stops below 31900 targeting 32500 levels.



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BASE METALS — COPPER



Copper prices traded in a narrow range after witnessing sharp fall in last week after testing one month highs 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 meet this

week hoping to get negotiations back on track. Formation of small bull candle after a strong bear candle in Mcx April futures with increase in Volumes and open interest suggest prices are indecisive at these levels and we advise traders to wait for further confirmation to initiate any fresh positions.

ENERGY — CRUDE



U.S. WTI crude barely moved in Monday's trade as recession worries gripped the market a week after what seemed to be unstoppable momentum for oil bulls from an OPEC vowing not to stop production cuts until it had drained the market of excessive supply. WTI settled down 22 cents at \$58.82 per barrel. Despite Monday's anemic trade, WTI was on track to end March up more than 3%, while Brent showed a gain of over 1%. Year to date, the U.S crude benchmark has a 29% gain, while its U.K. peer is up almost 24%. OPEC cuts aside, huge back-to-back declines of nearly 14 million barrels in U.S. crude stocks

over the past two weeks have provided the oil markets a big sentiment boost. Some, however, said the recession worries may still have a bigger impact on the market. Formation of another small candle in Mcx Crude March futures with a close marginally above the trend line support as shown in the chart suggest but as prices still below horizontal trend line resistance suggest 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
Housing Starts (Starts - Level - SAAR)	US	18:00 IST	1.2	1.23
Housing Starts (Permits - Level - SAAR)	US	18:00 IST	1.3	1.34
Redbook	US	18:25 IST		
Redbook (Store Sales Y/Y change)	US	18:25 IST		4.9
FHFA House Price Index (M/M change)	US	18:30 IST	0.4	0.3
S&P Corelogic Case-Shiller HPI (20-city, SA - M/M)	US	18:30 IST	0.3	0.2
S&P Corelogic Case-Shiller HPI (20-city, NSA - M/M)	US	18:30 IST		-0.2
S&P Corelogic Case-Shiller HPI (20-city, NSA - Yr/Yr)	US	18:30 IST	4.1	4.2
FHFA House Price Index (Y/Y change)	US	18:30 IST		5.6
Consumer Confidence (Consumer Confidence - Level)	US	19:30 IST	133	131.4
Richmond Fed Manufacturing Index (Level)	US	19:30 IST	12	16

PICK OF THE DAY

COMMODITY	EXCHANGE	EXPIRY	STRATEGY	ENTRY	TARGET	STOP LOSS
GOLD	MCX	APR	BUY	32100	32500	31900



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