



COMMODITY COMPASS

10 MAY 2019

INDIAN COMMODITIES

| Commodity | Expiry | S1 | S2 | Pivot | R1 | R2 | Trend |
|-------------|--------|-------|-------|-------|-------|-------|------------|
| Gold | JUN | 31549 | 31733 | 31891 | 32075 | 32233 | Up |
| Silver | JUL | 37135 | 37266 | 37419 | 37550 | 37703 | Up |
| Aluminum | MAY | 144.3 | 145.9 | 146.9 | 148.5 | 149.5 | Down |
| Copper | JUN | 423.9 | 428.0 | 430.5 | 434.6 | 437.1 | Down |
| Nickel | MAY | 821.2 | 825.9 | 830.4 | 835.1 | 839.6 | Down |
| Lead | MAY | 127.2 | 128.3 | 129.9 | 131.0 | 132.6 | Down |
| Zinc | MAY | 211.5 | 213.3 | 214.4 | 216.2 | 217.2 | Down |
| Crude Oil | MAY | 4251 | 4289 | 4321 | 4359 | 4391 | Indecisive |
| Natural Gas | MAY | 179.7 | 181.0 | 182.0 | 183.3 | 184.3 | Up |

Bullion—Gold



Gold prices continued to gain in yesterday's trade on trade war issues. Gold futures for June delivery, traded on the Comex, settled up \$2.2 at \$1,284.55 per ounce. Gold also advanced on Thursday after the dollar fell. The dollar index was down 0.2% at 97.17. Gold rose after Trump said on Wednesday that China broke the deal in trade talks with Washington and would face stiff tariffs if no agreement is reached. The president said he wants to raise to 25% tariffs on \$200 billion of Chinese imports, which are now at 10%. But Trump walked back yesterday saying that a deal with China was still possible this week and that he had received a "beautiful" letter from China Premier Xi

Jinping. China's top trade negotiator, Vice Premier Liu He, has arrived in Washington to begin trade talks. Formation of a small bull candle with a close above previous candle suggest prices could gain further and we advise traders to hold existing longs Mcx June futures with stops below 31600 targeting 32200 levels and fresh positions can also be taken with same stops and targets.



BASE METALS — COPPER



Base metals slid for most part of the trade yesterday only to gain by the end of the trade as Trump said that he received a beautiful letter from china and trade deal can still happen. Prices slid sharply in this week as trade negotiations between China and the US deteriorated suddenly, reversing apparent progress made in recent months. U.S. President Donald Trump sharply escalated trade tensions between the world's two largest economies and were proceeding is too slow and that he would raise tariffs on \$200 billion of goods to 25 percent on Friday from 10 percent. He also said he would target a further \$325 billion of Chinese goods with 25 percent tariffs shortly. President Donald Trump said on Wednesday that China "broke the deal" in trade talks with Washington and would face stiff tariffs if no agreement is reached. If a trade deal is indeed on the ropes, however, that could mean difficulties for China's economy, and the country accounts for a bulk of demand for the industrial metal. Formation of a bull candle after a bear candle suggest indecisiveness like trade war issues. Hence we advise traders to wait for further confirmation to initiate fresh positions.

ENERGY — CRUDE



WTI crude the benchmark for U.S. crude, settled down 42 cents, or 0.7%, at \$61.70 per barrel. WTI and Brent saw choppy trading through the day as worries about a collapse in U.S.-China trade negotiations faced off with concerns about outages in crude supply across the world. Trump says China "broke the deal" in trade talks with Washington and would face stiff tariffs if no agreement is reached. He wants to raise tariffs to 25% on \$200 billion of Chinese imports, which are now at 10%. China has vowed to hit back at the U.S., saying escalating trade frictions were not in the interest of either country or the world. On the other side EIA helped crude longs with an bullish data set. The EIA said in its regular weekly report that crude oil inventories slumped by nearly 4 million barrels in the week to May 3, versus forecasts for a build of 1.2 million barrels. Formation of a small bull candle with a close below trend lines as shown in the chart suggest indecisiveness and we 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 |
|---|---------|-----------|----------|----------|
| CPI (CPI - M/M change) | US | 18:00 IST | 0.4 | 0.4 |
| CPI (CPI less food & energy- M/M change) | US | 18:00 IST | 0.2 | 0.1 |
| CPI (CPI less food & energy - Y/Y change) | US | 18:00 IST | 2.1 | 2 |
| CPI (CPI - Y/Y change) | US | 18:00 IST | 2.1 | 1.9 |
| Baker-Hughes Rig Count (N. Amer. Rig Count) | US | 22:30 IST | | 1051 |
| Baker-Hughes Rig Count (U.S.) | US | 22:30 IST | | 990 |
| Baker-Hughes Rig Count (Gulf of Mexico) | US | 22:30 IST | | 20 |
| Baker-Hughes Rig Count (Canada) | US | 22:30 IST | | 61 |
| Baker-Hughes Rig Count | US | 22:30 IST | | |
| Treasury Budget (Treasury Budget - Level) | US | 23:30 IST | 150 | -146.9 |

PICK OF THE DAY

| COMMODITY | EXCHANGE | EXPIRY | STRATEGY | ENTRY | TARGET | STOP LOSS |
|-----------|----------|--------|----------|-------|--------|-----------|
| GOLD | MCX | JUN | BUY | 31800 | 32150 | 31600 |



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