



COMMODITY COMPASS

14 MAY 2019

INDIAN COMMODITIES

Commodity	Expiry	S1	S2	Pivot	R1	R2	Trend
Gold	JUN	31623	32061	32299	32737	32975	Up
Silver	JUL	36991	37321	37521	37851	38051	Up
Aluminum	MAY	145.7	147.1	148.0	149.4	150.3	Indecisive
Copper	JUN	423.0	424.9	427.7	429.6	432.3	Indecisive
Nickel	MAY	826.3	829.7	833.5	836.9	840.7	Indecisive
Lead	MAY	124.3	125.2	126.4	127.3	128.5	Down
Zinc	MAY	210.3	211.5	213.4	214.6	216.5	Down
Crude Oil	MAY	4171	4241	4358	4428	4545	Indecisive
Natural Gas	MAY	181.4	183.7	185.8	188.1	190.2	Up

Bullion—Gold



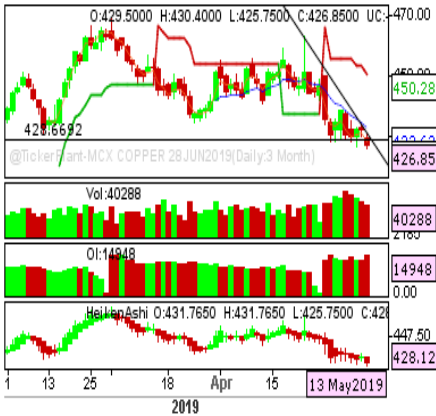
Gold prices climbed and posted its best day in nearly three months on Monday as investors sought a safe haven from market turmoil triggered by China announcing that it will retaliate over levies imposed by the Trump administration. Beijing indicated plans to raise tariffs on \$60 billion worth of U.S. imports beginning on June 1 in response to U.S. President Donald Trump's instructions to Trade Representative to prepare 25% tariffs on virtually all Chinese products imported to the U.S., including those which were not currently covered by existing levies. That presidential order came after

the U.S. increased tariffs last Friday on \$200 billion of Chinese imports to 25% from 10%. Fears that the growing escalation of the Sino-U.S. trade dispute threatens to derail the global economy shook risk assets on Monday. Formation of a strong bull which has closed above the horizontal trend line as shown in the chart suggest prices could extend its gains further and we advise traders to hold existing longs advised earlier and fresh positions can also be initiated on any declines to 32200 levels with stops below 31800 targeting 33000 levels in the near term.



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BASE METALS — COPPER



Base metals continued to slide in yesterday's trade on trade war issues as prices slid sharply in the last 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 he rose tariffs on \$200 billion of goods to 25 percent on Friday from 10 percent. In reply to that China announcing that it will retaliate over levies imposed by the Trump administration and indicated plans to raise tariffs on \$60 billion worth of U.S. imports beginning on June 1. These developments could mean difficulties for

China's economy, and the country accounts for a bulk of demand for the industrial metal. Formation of a small bear candle with a close below trend lines as shown in the chart suggest prices could slide further and we advise traders can initiate fresh shorts at 428 levels with stops above 432.5 targeting 420 levels.

ENERGY — CRUDE



Oil prices closed flat in yesterday's trade after gains were checked amid an escalation in the trade war between the United States and China. U.S. oil prices came under pressure on fears the trade war could dent demand for oil from China, the world's largest energy consumer. U.S. U.S.-China trade war was overshadowing the market, though market fundamentals provided some support. A full-blown trade war would have lasting consequences on global growth, seriously limiting the upside for energy demand. Disruptions have balanced the market, but lower demand and rising U.S. production could make for a quick reversal. Focus was also on the Middle East after Saudi Arabia on Monday said

that two of its oil tankers were among those attacked off the coast of the United Arab Emirates and described it as an attempt to undermine the security of crude supplies amid tensions between the United States and Iran. Formation of bear candle with a big tail on the higher side and with a close below trend lines as shown in the chart suggest prices could slide further 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
Import and Export Prices (Import Prices - M/M change)	US	18:00 IST	0.7	0.6
Import and Export Prices (Export Prices - M/M change)	US	18:00 IST	0.5	0.7
Import and Export Prices (Export Prices - Y/Y change)	US	18:00 IST	0.7	0.6
Import and Export Prices (Import Prices - Y/Y change)	US	18:00 IST	0.3	
Redbook	US	18:25 IST		
Redbook (Store Sales Y/Y change)	US	18:25 IST		5.9

PICK OF THE DAY

COMMODITY	EXCHANGE	EXPIRY	STRATEGY	ENTRY	TARGET	STOP LOSS
SILVER	MCX	JUL	BUY	37600	38300	37200



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