



## COMMODITY COMPASS

19 JUNE 2019

### INDIAN COMMODITIES

Commodity	Expiry	S1	S2	Pivot	R1	R2	Trend
Gold	AUG	32723	32873	33066	33216	33409	Up
Silver	JUL	36875	37091	37277	37493	37679	Indecisive
Aluminum	JUN	141.5	142.2	142.6	143.3	143.7	Up
Copper	JUN	405.2	410.5	413.8	419.1	422.4	Indecisive
Nickel	JUN	855.9	866.6	875.3	886.0	894.7	Up
Lead	JUN	152.8	154.5	155.5	157.3	158.3	Up
Zinc	JUN	202.8	205.4	206.8	209.4	210.9	Up
Crude Oil	JUN	3513	3623	3700	3810	3887	Up
Natural Gas	JUN	158.7	160.8	164.3	166.4	169.9	Down

### Bullion—Gold



Gold on Tuesday climbed more than 1% to a near 14-month high, supported by expectations of dovish statements from the US Federal Reserve. The US Central bank is expected to leave borrowing costs unchanged this time but possibly lay the

groundwork for a rate cut later this year. Markets are fully pricing in a 25-basis-point rate cut for July. The fact that investors remain concerned over trade tensions impacting global growth and that the major central banks across the world are adopting more dovish stance. Gold has gained more than 6% since touching a 2019 low of \$1,265.85 in early May.

As said earlier, gold is still indecisive in day charts post making a bearish doji it moved either sides volatile on expectation of dovish stance and most likely to continue the volatile move until the announcement of Fed rates which are due at later part of the day.



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## BASE METALS — COPPER



Copper futures were broadly supported yesterday as bargain buying stayed in place after the metal fell to a five-month low recently. The metal currently trades at \$2.64 per pound, down marginally. MCX Copper edged up around 1% to a close just under 410 per kg yesterday and

should see a mixed start today. Latest data showed that China's industrial output growth slowed to a more than 17-year low of 5% in May. These data pointers can cap major gains in the red metal in near term.

Copper etched up gathering momentum from its day supports gathering momentum to make new highs during these few trading sessions. It is to be noted that it is still under the day resistance of 420 which acts a strong one, post this we can look for longs in this commodity.

## ENERGY — CRUDE



Oil prices rose about \$2 a barrel on Tuesday after President Donald Trump said he would hold an extensive meeting with Chinese President Xi Jinping at the G20 summit later this month. Tensions in the Middle East after last week's tanker attacks, with the US planning to send more

troops to the Middle East, also lent support. Fears of confrontation between Iran and the United States have mounted since last Thursday's oil tanker attacks, which Washington has blamed on Tehran. Iran has denied involvement would consider using military force to prevent Iran from gaining a nuclear weapon but left open the question if it involved protecting oil supplies

Crude gained indecisively higher the previous day making lower stance for half of the trading session, post half it reversed the losses made a bullish engulfing pattern and closed under the day resistances which still shows the weakness to etch higher.



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## ECONOMIC CALENDAR (ALL TIMES IN IST)

EVENT	COUNTRY	TIME	FORECAST	PREVIOUS
Crude Oil Inventories	US	20:00	-1.5M	2.2M
Federal Funds rate	US	23:30	2.5%	2.5%

## PICK OF THE DAY

COMMODITY	EXCHANGE	EXPIRY	STRATEGY	ENTRY	TARGET	STOP LOSS
ZINC	MCX	27TH JUNE	BUY	207	210	205



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