



COMMODITY COMPASS

28 MARCH 2019

INDIAN COMMODITIES

Commodity	Expiry	S1	S2	Pivot	R1	R2	Trend
Gold	APR	31867	31941	32061	32135	32255	Indecisive
Silver	MAY	37706	37860	38127	38281	38548	Down
Aluminum	MAR	147.0	148.0	149.1	150.1	151.1	Indecisive
Copper	APR	434.6	436.9	438.4	440.7	442.2	Indecisive
Nickel	MAR	877.5	887.4	895.7	905.6	913.9	Indecisive
Lead	MAR	135.3	136.7	137.5	138.9	139.7	UP
Zinc	MAR	198.8	201.0	202.4	204.6	206.0	UP
Crude Oil	APR	4041	4080	4126	4165	4211	Indecisive
Natural Gas	APR	185.3	187.0	188.9	190.6	192.5	Indecisive

Bullion—Gold



Gold futures for June delivery traded on the Comex settled down \$4.5 or 0.3%, at \$1,316.9 per ounce as the dollar continued to gain driving gold bugs into retreat. The dollar index, which measures the greenback against a basket of six currencies, was up 0.2% at 96.47. On the other side 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. Prices of the precious metals might stay strong this year amid a U.S. recession scare and potential slowdown of the Chinese and euro zone economies. Formation of second small bear candle after two strong bulls in Mcx April Gold futures suggest a pull back with the underlying trend still remain strong. However we advise traders to hold existing longs with stops below 31900 targeting 32500 levels and avoid fresh positions.



BASE METALS — COPPER



Copper prices continued to trade in a narrow range after witnessing sharp slide in the last week after testing one month highs despite China's announcement to cut tax for manufacturers from April to boost growth. Earlier in the month 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 third small bull candle after a strong bear candle in Mcx April futures suggest a pause of the trend and trend expected to remain weak till prices continue to trade and close below 445 levels. We advise traders to wait for further confirmation to initiate any fresh positions.

ENERGY — CRUDE



WTI settled down 53 cents, or 1%, at \$59.41 per barrel, after rising 2% in the previous session. A drop of a little more than 500,000 barrels in crude shipments was one reason for last week's unexpected rise in U.S. inventories, according to data on Wednesday that led to lower trading prices. The U.S. Energy Information Administration, in its weekly dataset on oil supply-demand, said crude inventories grew by 2.8 million barrels in the week to March 22 after a 506,000-barrel decline in exports and a 400,000-barrel slide in refinery runs.

The stock build defied analysts' expectations for a draw of 1.1 million barrels.

The data disappointed oil bulls counting on a third-straight week of draws after a total inventory slide of nearly 14 million barrels in the two previous weeks. Formation of small bear candle in Mcx Crude April futures despite posting new highs suggest a caution 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
Jobless Claims	US	18:00 IST		
Jobless Claims (New Claims - Level)	US	18:00 IST	225	221
Jobless Claims (4-week Moving Average - Level)	US	18:00 IST		225
Jobless Claims (New Claims - Change)	US	18:00 IST		-9
GDP (Real GDP - Q/Q change - SAAR)	US	18:00 IST	2.2	2.6
GDP (GDP price index - Q/Q change - SAAR)	US	18:00 IST	1.8	1.8
GDP (Real Consumer Spending - Q/Q change - SAAR)	US	18:00 IST	2.6	2.8
Corporate Profits (After-tax Profits - Y/Y change)	US	18:00 IST		6.1
Pending Home Sales Index (Pending Home Sales Index - M/M)	US	19:30 IST	-0.8	4.6
Pending Home Sales Index (Pending Home Sales Index - Level)	US	19:30 IST		103.2
EIA Natural Gas Report	US	20:00 IST		
EIA Natural Gas Report (Weekly Change)	US	20:00 IST		-47
Kansas City Fed Manufacturing Index (Level)	US	20:30 IST		1



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