



COMMODITY COMPASS

2 APRIL 2019

INDIAN COMMODITIES

Commodity	Expiry	S1	S2	Pivot	R1	R2	Trend
Gold	APR	31715	31779	31888	31952	32061	Down
Silver	MAY	37333	37473	37654	37794	37975	Down
Aluminum	APR	145.2	146.4	148.4	149.5	151.5	Down
Copper	APR	442.7	446.0	450.6	453.9	458.5	Indecisive
Nickel	APR	893.0	900.8	913.7	921.5	934.4	Indecisive
Lead	APR	138.3	139.1	140.5	141.4	142.8	Indecisive
Zinc	APR	218.9	221.3	224.6	227.0	230.3	Indecisive
Crude Oil	APR	4160	4220	4253	4313	4346	UP
Natural Gas	APR	183.6	186.2	188.3	190.9	193.0	Indecisive

Bullion—Gold



Gold futures dipped on Monday and settled at \$1,294.2, down \$4.30 after data suggesting China's manufacturing sector was recovering from a sharp slowdown earlier in the year. Investors had piled into gold in recent months partly on worries that Beijing could announce the smallest economic growth in three decades. China's Caixin/Markit manufacturing purchasing managers' index (PMI) rose to 50.8 from 49.9 in February, data on Monday showed. That was the strongest reading in eight months and followed an uptick in the official PMI, which tracks mainly state-owned enterprises. A raft of U.S. data is on tap this week, with each re-

lease having potential to impact gold prices. Most important will be the March jobs report, due on Friday. Other data include reports on U.S. retail sales and manufacturing. Formation of small bear candle Mcx April Gold futures after a witnessing a pull back in the earlier session suggest prices are back in its trend however we advise traders to wait for further confirmation to initiate any fresh positions.



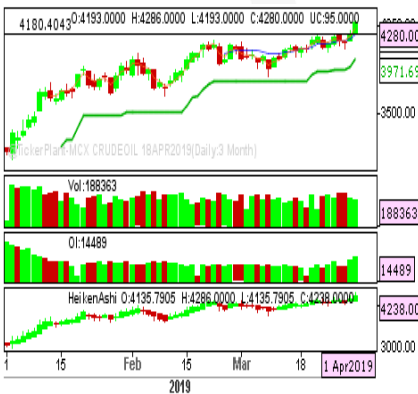
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BASE METALS — COPPER



The copper fell marginally yesterday by the end of the trade after gaining initially on Chinese data. Prices gained sharply on Friday amid optimism that the global trade war will soon be resolved, boosting metals prospects. Trade talks between the US and China continued to show little progress in their attempts to strike a trade deal. High level trade talks between the U.S. and China will also remain in focus as Chinese Vice Premier Liu He comes to Washington to meet with U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin. Earlier in the month sentiment was largely constructive as China 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 China's Caixin/Markit manufacturing purchasing managers' index rose to 50.8 from 49.9 in February, data on Monday showed. Formation of small bear candle after testing Super trend line as shown in the chart suggest to book profits on existing longs and wait for fresh positions.

ENERGY — CRUDE



WTI crude settled up \$1.45, or 2.4%, at \$61.59 per barrel. It hit a near-five-month high of \$61.72 earlier. Pumped up from its phenomenal 33% gain in the first quarter, oil tacked on almost 2% more in Monday's session as oil bulls lurched headlong into April's trade amid data suggesting deeper production cuts by OPEC and stronger-than-expected Chinese demand for energy. The last time it gained more for a quarter was during Q2 2009, when it rose about 40%. Despite pressure from U.S. President Donald Trump to keep oil supplies flowing, Saudi Arabia, which wants crude at \$70 per barrel and above, slashed production to a four-year low of 9.82 million bpd in March, according to a Bloomberg survey of officials, analysts and ship-tracking data. Output from OPEC's 14 members fell for a fourth-straight month in March, sliding by 295,000 bpd to 30.385 million. Formation of strong bull candle in Mx Crude April futures which has posted fresh highs suggest prices are in strong trend and we advise traders to stay long at 4240 levels with stops below 4190 targeting 4350 and 4400 levels. As prices are not witnessing increase in volumes and open interest suggest a caution but we still advise traders to take this worthwhile risk.



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ECONOMIC CALENDAR (ALL TIMES IN IST)

EVENT	COUNTRY	TIME	FORECAST	PREVIOUS
Durable Goods Orders (New Orders - M/M change)	US	18:00 IST	-1.8	0.4
Durable Goods Orders (Ex-transportation - M/M)	US	18:00 IST		-0.1
Durable Goods Orders (Core capital goods - M/M change)	US	18:00 IST	0.2	0.8
Redbook	US	18:25 IST		
Redbook (Store Sales Y/Y change)	US	18:25 IST		5.3

PICK OF THE DAY

COMMODITY	EXCHANGE	EXPIRY	STRATEGY	ENTRY	TARGET	STOP LOSS
CRUDE	MCX	APR	BUY	4240	4350	4190



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