



Friday, January 11, 2019

	Open	High	Low	Close	% Cng	Round up
Precious Metals						
Gold	32048	32135	31853	31880	-0.38	Gold slipped as the dollar bounced up off lows as investors pared back bearish positions on the U.S. currency.
Silver	39591	39761	39260	39285	-0.60	
Base Metal						
Aluminium	130.05	131.2	129.75	130.1	-0.19	Base metals, except for LME lead, dipped across the board. LME zinc lost 1.37%, copper declined 0.79%, nickel and aluminium slipped as optimism over US-China trade talks faded and poor China data weighed, though a weaker dollar and still tight supply-side conditions kept losses in check. China said the three days of talks in Beijing had established a "foundation" to resolve the two country's differences, but gave virtually nothing in the way of details on key issues at stake.
Copper	417.2	418.8	411.75	412.4	-1.16	
Lead	139.1	140	137.65	139.3	0.54	
Nickel	794	796.5	783.3	788.6	-0.43	
Zinc	176.3	177.3	172.15	174.1	-1.42	
Energy						
Crude	3655	3719	3623	3678	-0.22	Crude oil prices slid and gave back some of their gains after jumping more than 5% on Wednesday amid optimism on Sino-U.S. trade talks.
Nat. Gas	211.8	218	210.2	211.2	0.00	
Currency						
USDINR	70.66	70.78	70.44	70.54	-0.15	Rupee traded in range on buying by nationalised banks likely behalf of oil importers tracking the sharp rise in crude oil prices.
EURINR	81.61	81.95	81.42	81.46	0.55	
GBPINR	90.44	90.48	89.95	90.04	0.06	
JPYINR	65.36	65.63	65.26	65.31	0.57	

DAY	TIME	ZONE	ECONOMICAL DATA	EXP	PREV
	2:30pm	EUR	Italian Industrial Production m/m	-0.003	0.001
	7:00pm	USD	CPI m/m	-0.001	0
	7:00pm	USD	Core CPI m/m	0.002	0.002
	0	0		0	0
	0	0		0	0
	0	0		0	0
Fri	0	0		0	0
	0	0		0	0
	0	0		0	0
	0	0		0	0
	0	0		0	0
	0	0		0	0
	0	0		0	0

Global Market									
\$ Index	Euro	Pound	Yen	DJ	Nasdaq	Hang Seng	Gold\$	Silver\$	Crude \$
95.41	1.15195	1.27552	108.311	2584.96	6957.08	26553	1290.80	15.65	52.65
-0.15	0.19	0.06	-0.08	0.41	0.87	0.12	0.35	0.69	0.55



MCX Gold



MCX Gold 05 FEB 2019	
Open	32048
High	32135
Low	31853
Close	31880
% Cng	-0.38
OI	13781
Volume	10606
Resist 3	32341
Resist 2	32238
Resist 1	32059
Support 1	31777
Support 2	31674
Support 3	31495

Gold slipped as the dollar bounced up off lows as investors pared back bearish positions on the U.S. currency. Fed Chairman Jerome Powell said the U.S. central bank has the ability to be patient on monetary policy given data showing stable prices, and downplayed suggestions that interest rates would be raised twice more this year. Global markets have been on the rise for the previous four sessions, but lost steam on limited clarity from U.S.-China trade talks and as data from China and France fed worries about the global economy. A range of U.S. Federal Reserve policymakers said last month that they could be patient about future interest rate increases and a few did not support the central bank's rate increase that month, minutes from their Dec. 18-19 policy meeting showed. China's commerce ministry said that trade talks with the United States this week were extensive, deep and detailed, and established a foundation for the resolution of each others' concerns. U.S. President Donald Trump stormed out of talks with Democratic congressional leaders over funding for a border wall with Mexico and reopening the government, complaining the meeting in the White House was "a total waste of time". Meanwhile, British Prime Minister Theresa May suffered an early defeat to her Brexit plans on Wednesday when parliament demanded the government come up with a plan-B within days if she loses a vote on her deal to leave the European Union. Technically now Gold is getting support at 31777 and below same could see a test of 31674 level, And resistance is now likely to be seen at 32059, a move above could see prices testing 32238.

MCX Silver



MCX Silver 05 MAR 2019	
Open	39591
High	39761
Low	39260
Close	39285
% Cng	-0.6
OI	16840
Volume	13901
Resist 3	40111
Resist 2	39936
Resist 1	39610
Support 1	39109
Support 2	38934
Support 3	38608

Silver on MCX settled down -0.6% at 39285 as investors awaited remarks from Fed Jerome Powell amid expectations that the head of the central bank will reaffirm a pause in policy tightening. Powell's last appearance sent stocks soaring as he noted that the Fed could be "patient" on further policy tightening. Markets currently price in that the central bank will be on pause all throughout 2019 and put about a 14% chance that it will actually cut interest rates by the end of the year. Presidents of four of the 12 Fed regional banks on Wednesday said they wanted greater clarity on the state of the economy before extending the central bank's rate hike campaign any further, suggesting that the Fed could take months before another increase is undertaken. St. Louis Fed President James Bullard, considered the most dovish policymaker, even suggested that further tightening could tip the U.S. economy into recession. Minutes from the Fed's Dec. 18-19 policy meeting revealed that several members said they could afford to be "patient" about the future interest rate hike, citing a list of concerns including volatility in financial markets, slowing global growth and muted inflation pressures. Investors are also waiting for further news on the Sino-U.S. trade talks, after China's Commerce Ministry said in a statement that discussions with the U.S. this week were "extensive and detailed," and that both sides agreed to continue to keep in close contact. Technically market is under long liquidation as market has witnessed drop in open interest by -3.15% to settled at 16840 while prices down -236 rupees, now Silver is getting support at 39109 and below same could see a test of 38934 level, And resistance is now likely to be seen at 39610, a move above could see prices testing 39936.

MCX Crude Oil



MCX Crude Oil 18 JAN 2019	
Open	3655
High	3719
Low	3623
Close	3678
% Cng	-0.22
OI	14084
Volume	223141
Resist 3	3819
Resist 2	3769
Resist 1	3723
Support 1	3627
Support 2	3577
Support 3	3531

Crude oil prices slid and gave back some of their gains after jumping more than 5% on Wednesday amid optimism on Sino-U.S. trade talks. China said trade talks with the U.S. were "extensive and detailed," and that both sides agreed to continue to keep in close contact. Meanwhile, reports that OPEC kingpin Saudi Arabia has vowed to "stabilise" the market also provided support for oil prices. Saudi Energy Minister Khalid al-Falih said actions taking by the OPEC+ alliance were starting to bring the market back after a near-40% drop from 2018 highs. Falih said the kingdom was pumping about 800,000 barrels less a day from the record high of 10.2 million barrels per day in November. On the other hand, the U.S. Energy Information Administration said that crude inventories fell by 1.68 million barrels for the week ended Jan 4., about a third less than the 2.4 million-barrel draw forecasted. On the products side, gasoline inventories rose by 8.07 million barrels, more than double the expected build of 3.39 million barrels. They were also 8% above the 5-year average, the EIA said. China said three days of talks with the United States that wrapped up had established a "foundation" to resolve differences over trade. But it gave few details on key issues at stake, including a scheduled U.S. tariff increase on \$200 billion worth of Chinese imports. Technically market is under long liquidation as market has witnessed drop in open interest by -6.08% to settled at 14084 while prices down -8 rupees, now Crudeoil is getting support at 3627 and below same could see a test of 3577 level, And resistance is now likely to be seen at 3723, a move above could see prices testing 3769.

MCX Natural Gas



MCX Natural Gas 28 JAN 2019	
Open	211.8
High	218
Low	210.2
Close	211.2
% Cng	0
OI	3506
Volume	60817
Resist 3	224
Resist 2	221
Resist 1	216
Support 1	208
Support 2	205
Support 3	200

Naturalgas on MCX settled unchanged at 211.20 while prices recovered from day's low as support seen after the U.S. Energy Information Administration (EIA) reported that U.S. natural gas stockpiles decreased by 91 billion cubic feet for the week ending January 4. Market were expecting a storage withdrawal in a range of 50 billion to 115 billion cubic feet. The five-year average for the week is a withdrawal of 182 billion cubic feet, and last year's withdrawal totaled 359 billion cubic feet, an all-time record driven by extremely cold weather along the east coast. Natural gas inventories fell by 20 billion cubic feet in the week ending December 28. The U.S. government and updated weather forecasts that may or may not show the return of cold temperatures later in the month. The price action definitely shows investors are waiting for something, but is the market creating a support base for a short-covering rally, or simply pausing before the next plunge in prices? A strong cold front will push across the Great Lakes and Northeast the next several days with lows reaching the 0s to 20s for strong demand. However, much of the rest of the country will be mostly mild with highs of 40s to 70s to counter. Weather systems with rain and snow will track into the West Coast with rain and snow, but with only slight cooling. This weekend into early next week will bring weather systems across the southern and eastern US with rain and snow, followed by warming mid next week. Technically now Naturalgas is getting support at 208.2 and below same could see a test of 205.3 level, And resistance is now likely to be seen at 216, a move above could see prices testing 220.9.



MCX Copper



MCX Copper 28 FEB 2019	
Open	417.2
High	418.8
Low	411.75
Close	412.4
% Cng	-1.16
OI	18685
Volume	37938
Resist 3	424
Resist 2	421
Resist 1	417
Support 1	410
Support 2	407
Support 3	403

Copper on MCX settled down -1.16% at 412.40 dropped in the line of expectation slipped as optimism over US-China trade talks faded and poor China data weighed, though a weaker dollar and still tight supply-side conditions kept losses in check. China said the three days of talks in Beijing had established a "foundation" to resolve the two country's differences, but gave virtually nothing in the way of details on key issues at stake. At the same time, the world's biggest base metals consumer released data showing factory-gate inflation rose at its slowest rate in more than two years. Pressure also seen as complete base metals complex except for LME lead, dipped across the board. LME zinc lost 1.37%, copper declined 0.79%, nickel and aluminium slipped. Last night the US dollar rebounded from three-month lows, extending gains against the euro and yen, after Federal Reserve Chairman Jerome Powell said that the US central bank intends to further shrink the balance sheet, suggesting it is not done tightening monetary policy. The Fed chairman also said he sees no near-term risk of a US recession and expects continued momentum in economic data. However, he reiterated that the Fed can be patient on monetary policy and can move "flexibly and quickly" if economic data warrants it. While European Central Bank officials agreed that a cut to their 2019 growth projection in itself acknowledged that risks to the outlook for the eurozone economy had increased. "Uncertainties and risks related to geopolitical factors, the threat of protectionism, vulnerabilities in emerging markets and financial volatility had retained prominent," the ECB said in the account of its Dec 12-13 policy meeting published on January 10. Now a day ahead the US is expected to release data on its CPI for December today. Technically market is getting support at 409.8 and below same could see a test of 407.2 level, And resistance is now likely to be seen at 416.9, a move above could see prices testing 421.4.

MCX Nickel



MCX Nickel 31 JAN 2019	
Open	794
High	796.5
Low	783.3
Close	788.6
% Cng	-0.43
OI	13129
Volume	27700
Resist 3	808.9
Resist 2	802.7
Resist 1	795.7
Support 1	782.5
Support 2	776.3
Support 3	769.3

Nickel on MCX settled down -0.43% at 788.60 dropped in the line of expectation on long liquidation tracking both LME nickel and the SHFE contract which declined below the five-day moving average, and settled lower overnight as the US dollar bounced back from a three-month's low. Nickel prices are stabilising at around 785 while sentiments remain firm as continued production deficit that has significantly reduced LME nickel stockpiles to around 200,000 tonnes, down from 368,000 tonnes a year ago. The ongoing production deficit of over 110,000 tonnes per annum is likely to stay around that level for the next few years even with further increases in lateritic nickel output in the form of Asian nickel pig iron and the planned increase in high purity material from several major sulphide producers. Nickel demand is forecast to increase strongly over the next few years from its role as a key ingredient in new generation batteries, particularly for the forecast strong rise in electric vehicle (EV) production. Last night the US dollar rebounded from three-month lows, extending gains against the euro and yen, after Federal Reserve Chairman Jerome Powell said that the US central bank intends to further shrink the balance sheet, suggesting it is not done tightening monetary policy. The Fed chairman also said he sees no near-term risk of a US recession and expects continued momentum in economic data. However, he reiterated that the Fed can be patient on monetary policy and can move "flexibly and quickly" if economic data warrants it. Technically market is getting support at 782.5 and below same could see a test of 776.3 level, And resistance is now likely to be seen at 795.7, a move above could see prices testing 802.7.



MCX Zinc 31 JAN 2019	
Open	176.30
High	177.30
Low	172.15
Close	174.05
% Cng	-1.42
OI	3878
Volume	31993
Resist 3	182.1
Resist 2	179.7
Resist 1	176.9
Support 1	171.7
Support 2	169.3
Support 3	166.5

Zinc on MCX settled down -1.42% at 174.05 tracking weakness from most of the base metals which declined on a rebounded US dollar, LME Zinc came under pressure on the London Metal Exchange shrugging off continued market optimism about recent US-China trade talks. The three-month zinc price fell 1.2%, ignoring the continued drawdown of LME inventories - only 109,025 tonnes are now on-warrant. Additionally, the metal's cash/three-month spread remains in a backwardation of \$21.50, narrowing from \$77 per tonne on Wednesday and down from its widest backwardation in more than 10 years at \$124 per tonne in early December. LME zinc unsuccessfully tested pressure at the \$2,500/mt level as shorts weighed it to a low of \$2424.5/mt during yesterday's session. Last night the US dollar rebounded from three-month lows, extending gains against the euro and yen, after Federal Reserve Chairman Jerome Powell said that the US central bank intends to further shrink the balance sheet, suggesting it is not done tightening monetary policy. The Fed chairman also said he sees no near-term risk of a US recession and expects continued momentum in economic data. However, he reiterated that the Fed can be patient on monetary policy and can move "flexibly and quickly" if economic data warrants it. From data point China's producer price index increased less than expected on the month in December to hit the lowest growth rate in two years, the National Bureau of Statistics said on Thursday. Now a day ahead the US is expected to release data on its CPI for December today. Technically market is getting support at 171.7 and below same could see a test of 169.3 level, And resistance is now likely to be seen at 176.9, a move above could see prices testing 179.7.



MCX Aluminium 31 JAN 2019	
Open	130.05
High	131.20
Low	129.75
Close	130.10
% Cng	-0.19
OI	5000
Volume	6578
Resist 3	132.6
Resist 2	131.9
Resist 1	131.1
Support 1	129.6
Support 2	128.9
Support 3	128.1

Aluminium on MCX settled down -0.19% at 130.10 on long liquidation after the news that Norwegian aluminium-maker Norsk Hydro aims to resume full production at its Alunorte alumina plant in Brazil within weeks or months, although the process still remains uncertain, Chief Executive Svein Richard Brandtzaeg told Reuters. While LME Aluminium ended up 0.5 per cent at \$US1,861 as a weaker dollar enabled the metal to hold gains made from optimism over U.S.-China trade talks. A weaker greenback makes dollar-denominated metals cheaper for holders of other currencies and can support prices. However, prices in top consumer China, which reported more disappointing factory data on Thursday, failed to sustain the momentum. Also yesterday China's commerce ministry said trade talks with the United States this week were extensive and detailed, and established a foundation for the resolution of each others' concerns. This would normally have been enough to encourage metals buyers but the news was rather offset by the Chinese PPI and CPI numbers falling short of forecasts. Last night the US dollar rebounded from three-month lows, extending gains against the euro and yen, after Federal Reserve Chairman Jerome Powell said that the US central bank intends to further shrink the balance sheet, suggesting it is not done tightening monetary policy. The Fed chairman also said he sees no near-term risk of a US recession and expects continued momentum in economic data. However, he reiterated that the Fed can be patient on monetary policy and can move "flexibly and quickly" if economic data warrants it. Technically now Aluminium is getting support at 129.6 and below same could see a test of 128.9 level, And resistance is now likely to be seen at 131.1, a move above could see prices testing 131.9.

Spread View	
Commodity	Spread
MCX GOLD FEB-APR	92.00
MCX SILVER MAR-MAY	563.00
MCX CRUDEOIL JAN-FEB	37.00
MCX NATURALGAS JAN-FEB	-8.90
MCX ZINC JAN-FEB	0.15
MCX NICKEL JAN-FEB	-8.90
MCX LEAD JAN-FEB	0.85
MCX ALUMINIUM JAN-FEB	1.40

Ratio Trading	
Commodity	Ratio
Gold Silver ratio	81.15
Gold Crude ratio	8.67
Gold Copper ratio	77.30
Silver Crude ratio	10.68
Silver Copper ratio	95.26
Crude Natural Gas ratio	17.41
Zinc Lead ratio	124.95

LME Stock (Tons)		
Commodity	Change	Stock
Copper	925	133600
Nickel	-1344	203274
Zinc	-225	127050
Aluminium	4650	1286050
Lead	125	106600

News you can Use

China's central bank said it was cutting the ratio of cash that banks must hold as reserves by 100 basis points (bps), as it looks to reduce the risk of a sharper slowdown in the world's second-biggest economy. The cut in banks' reserve requirement ratios (RRR) is the first in 2019 and the fifth in a year by the People's Bank of China (PBOC) as the economy faces its weakest growth since the global financial crisis and mounting pressure from U.S. tariffs. The reduction is being made in two equal stages, effective Jan. 15 and Jan. 25, the PBOC said. The reserve requirement ratios (RRRs) are currently 14.5 percent for large banks and 12.5 percent for smaller banks. Further cuts in the RRR had been widely expected this year, especially after a spate of weak data in recent months showed China's economy was continuing to lose steam. The size of the move was on the upper end of market expectations.

British house prices took a pre-Brexit hit in December, falling by the most in monthly terms since mid-2012 and rising by their slowest pace in nearly six years in annual terms, according to data from mortgage lender Nationwide. House prices fell by 0.7 percent from November, the biggest monthly fall since July 2012, Friday's data showed. Compared with a year earlier, prices rose by just 0.5 percent compared with a 1.9 percent rise in November. Nationwide said it expected prices to rise at a "low single-digit pace" in 2019 but its forecast was dependent on the economy continuing to grow modestly, something that looked "unusually uncertain." Prime Minister Theresa May is struggling to overcome deep opposition in her own Conservative Party to the Brexit divorce deal she agreed with other European Union leaders, raising the prospect of an economically damaging no-deal departure from the EU in March. Britain's housing market has weakened since the June 2016 Brexit vote, led by price falls in London. At the time of the referendum, Nationwide's measure of house prices was rising by about 5 percent a year. Bank of England Governor Mark Carney said last month that in the event of a "disorderly" departure from the EU -- not the central bank's base-case scenario -- house prices could slump by 30 percent as part of a broader economic shock.

Indian manufacturing activity expanded at a slower pace in December as growth in new orders and output waned, despite factories cutting their prices, a private survey showed. The Nikkei Manufacturing Purchasing Managers' Index, compiled by IHS Markit, declined to 53.2 in December, below November's 54.0 reading. But that was above the 50 mark, which separates growth from contraction, for a 17th month and manufacturing activity registered its strongest quarterly performance since late 2012. Although new orders and output expanded at a slower rate last month, both have remained well into expansion territory for more than a year, supported by weaker inflationary pressures. December saw the weakest increase in input costs for nearly three years, giving factories room to cut their prices for the first time since July 2017. That increases the likelihood inflation will be benign in coming months. India's consumer price index hit a 17-month low of 2.33 percent in November, remaining well below the Reserve Bank of India's medium-term target of 4 percent for a fourth straight month. Despite a strong performance in 2018, the survey indicated manufacturing firms were turning cautious. Hiring in December slowed as optimism waned amid uncertainty ahead of a national election scheduled for May.

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