

COMMODITY WORLD



Monday, November 12, 2018

	Open	High	Low	Close	% Cng	Round up
Precious Metals						
Gold	31310	31372	30942	31016	-1.24	Gold prices fell on a firmer dollar as the U.S. Federal Reserve indicated they will continue to raise interest rates, lowering demand for bullion.
Silver	37550	37605	36689	36880	-1.95	
Base Metal						
Aluminium	145.1	145.1	142.45	142.7	-1.31	Base metals prices fell as the U.S. dollar strengthened and on lingering concerns about the trade war between the U.S. and China. Concerns over global trade tensions also remained in focus amid doubts over the potential for a trade deal between the U.S. and China.
Copper	438.2	438.2	429.7	431.3	-1.78	
Lead	144.1	144.4	141.55	142.5	-1.59	
Nickel	853	853	824	829.5	-2.94	
Zinc	185.35	187.3	183.25	185.3	-0.05	
Energy						
Crude	4414	4423	4297	4362	-1.56	Crude oil dropped as global supply increased and investors worried about the impact on fuel demand of lower economic growth and trade disputes.
Nat. Gas	258.7	276.2	258.6	272.6	6.07	
Currency						
USDINR	72.73	72.95	72.59	72.64	0.03	Rupee gained as globally oil prices fell as global supply increased and investors worried about the impact on fuel demand from of lower economic growth and trade disputes.
EURINR	82.99	82.99	82.45	82.52	-1.19	
GBPINR	95.20	95.24	94.53	94.61	-1.02	
JPYINR	64.15	64.15	63.86	63.89	-0.55	

View for the Day

SELL GOLD DEC 2018 @ 31100 SL 31220 TGT 30980-30860.MCX
 SELL SILVER DEC 2018 @ 37000 SL 37250 TGT 36680-36400.MCX
 BUY CRUDEOIL NOV 2018 @ 4380 SL 4350 TGT 4420-4450.MCX
 BUY NAT GAS NOV 2018 @ 270.00 SL 267.00 TGT 274.00-276.00.MCX
 BUY COPPER NOV 2018 @ 430.00 SL 427.00 TGT 433.40-436.50.MCX
 BUY ZINC NOV 2018 @ 184.00 SL 182.50 TGT 186.00-187.50.MCX
 BUY NICKEL NOV 2018 @ 825.00 SL 812.00 TGT 838.00-850.00.MCX
 BUY ALUMINIUM NOV 2018 @ 142.00 SL 140.50 TGT 143.40-144.50.MCX

DAY	TIME	ZONE	ECONOMICAL DATA	EXP	PREV
Mon	2:30pm	EUR	Italian Industrial Production m/m	-0.005	0.017
	All Day	USD	Bank Holiday	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		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 \$
96.99	1.13273	1.29385	113.982	2806.83	7530.88	25715	1210.80	14.18	60.19
0.36	-0.05	-0.23	0.14	-0.25	-0.53	0.44	0.12	0.30	-0.79



MCX Gold



MCX Gold 05 DEC 2018	
Open	31310
High	31372
Low	30942
Close	31016
% Cng	-1.24
OI	9725
Volume	7950
Resist 3	31708
Resist 2	31540
Resist 1	31278
Support 1	30848
Support 2	30680
Support 3	30418

Gold on MCX settled down -1.24% at 31016 on a firmer dollar as the U.S. Federal Reserve indicated they will continue to raise interest rates, lowering demand for bullion. The Fed has hiked rates three times this year and is widely expected to do so again in December because of a robust U.S. economy, rising inflation and solid jobs growth. Weaker gold prices boosted investment demand during the third quarter, but gains were capped by a sell-off in gold-backed exchange-traded funds (ETFs). Holdings of gold-backed ETFs declined nearly 4 percent to 2,221 tonnes at the end of the third quarter from 2,312 tonnes in the prior quarter. Net outflows at the end of the third quarter totaled \$3.5 billion. Global physical demand rose nearly 8 percent to 1,010 tonnes, the highest on a quarterly basis since the fourth quarter of 2017. Global retail investment, including coin and bar demand, was mixed. Coin demand increased nearly 20 percent to 73 tonnes from the second to third quarter and rose 16 percent year over year. Bar prices edged down to 175 tonnes in the third quarter from 176 tonnes in the second quarter, GFMS data showed. China's gold output in the first three quarters of 2018 fell 7.46 percent from a year earlier to 289.75 tonnes, the China Gold Association said. Gold consumption in China rose 5.08 percent on-year to 849.7 tonnes, the association said in a statement. Technically market is under long liquidation as market has witnessed drop in open interest by -5.22% to settled at 9725 while prices down -390 rupees, now Gold is getting support at 30848 and below same could see a test of 30680 level, And resistance is now likely to be seen at 31278, a move above could see prices testing 31540.

MCX Silver



MCX Silver 05 DEC 2018	
Open	37550
High	37605
Low	36689
Close	36880
% Cng	-1.95
OI	29268
Volume	17329
Resist 3	38343
Resist 2	37974
Resist 1	37427
Support 1	36511
Support 2	36142
Support 3	35595

Silver on MCX settled down -1.95% at 36880 as inflation data pointed to steady interest rate increases by the Federal Reserve. The producer price index (PPI) increased 0.6% in October. The higher-than-expected numbers support the Fed's gradual rate increase policy, which helped boost the greenback. The Fed held interest rates steady, as expected, but remained on track to continue gradually tightening. The central bank hiked U.S. interest rates three times this year and is widely expected to do so again in December. Meanwhile, weak economic global growth worried investors as producer prices in China fell for the fourth-straight month, raising more concerns that the world's second-largest economy is struggling as it battles the U.S. in a trade war. Chinese President Xi Jinping said, ahead of a meeting with his U.S. counterpart Donald Trump, that Beijing wants to resolve problems with the U.S. through talks, but Trump must respect China's choice of development path and interests. The U.S. central bank is expected to approve a quarter-point hike in rates at its December meeting, though, marking the fourth such increase for the year. As for the language in its closely-watched policy statement, it noted that the unemployment rate "has declined" since its September meeting where the headline jobless level was at a 1969-low of 3.7%. But it also noted that the "growth of business fixed investment has moderated from its rapid pace earlier in the year." Still, with the gridlock expected in Washington after Tuesday's midterm vote, talk is building that President Donald Trump's pro-growth policies may stall and that the Fed may actually refrain from a December hike. Technically now Silver is getting support at 36511 and below same could see a test of 36142 level, And resistance is now likely to be seen at 37427, a move above could see prices testing 37974.



MCX Crude Oil



MCX Crude Oil 16 NOV 2018

Open	4414
High	4423
Low	4297
Close	4362
% Cng	-1.56
OI	15966
Volume	138894
Resist 3	4551
Resist 2	4487
Resist 1	4425
Support 1	4299
Support 2	4235
Support 3	4173

Crudeoil on MCX settled down -1.56% at 4362 as global supply increased and investors worried about the impact on fuel demand of lower economic growth and trade disputes. Oil peaked in October on concerns that U.S. sanctions on Iran that came into force this week would deprive the oil market of substantial volumes of crude, draining inventories and bringing shortages in some regions. But other big producers, such as Saudi Arabia, Russia and shale companies in the United States, have increased output steadily, more than compensating for lost Iranian barrels. The United States, Russia and Saudi Arabia are pumping at or near record highs, producing more than 33 million barrels per day (bpd), a third of the world's oil. The U.S. sanctions, meanwhile, are unlikely to cut supply as much as expected. Washington has granted exemptions to Iran's biggest buyers, allowing them to buy limited amounts of oil for at least another six months. Washington has said it wants to force Iranian oil exports down to zero, but Bernstein Energy now expects "Iranian exports will average 1.4 million to 1.5 million bpd" during the exemption period, about half the volume in mid-2018. The Joint OPEC-Non-OPEC Ministerial Monitoring Committee, which includes Saudi Arabia and other major Middle Eastern oil producers along with Russia, will be meeting this weekend in Abu Dhabi. Russia will be meeting with OPEC a day after that, in line with the cooperation that has existed since 2015 between the cartel and Moscow to intervene in any collapse in global oil prices. Technically now Crudeoil is getting support at 4299 and below same could see a test of 4235 level, And resistance is now likely to be seen at 4425, a move above could see prices testing 4487.

MCX Natural Gas



MCX Natural Gas 27 NOV 2018

Open	258.7
High	276.2
Low	258.6
Close	272.6
% Cng	6.07
OI	9334
Volume	82709
Resist 3	297
Resist 2	287
Resist 1	280
Support 1	262
Support 2	252
Support 3	244

Naturalgas on MCX settled up 6.07% at 272.6 to their highest since December 2016 on forecasts for colder weather next week than previously forecast. Cold will boost heating demand and cause utilities to start withdrawing fuel from storage facilities that are already about 16 percent below normal levels for this time of year. Despite last week's bigger than expected storage increase, U.S. stockpiles were only at 3.208 trillion cubic feet (tcf), leaving inventories 16.2 percent below the five-year average of 3.829 tcf for this time of year and the lowest for the week since 2003. Degree days measure the number of degrees a day's average temperature is above or below 65 Fahrenheit (18 Celsius) and are used to estimate demand to heat or cool homes and businesses. Projected demand in the lower 48 U.S. states will rise to 109.6 billion cubic feet per day (bcfd) next week from 108.4 bcf forecasted. That compared with an expected 87.4 bcf this week. In two weeks, however, when temperatures are expected to rise, demand forecast total demand would only reach 99.6 bcf. Output in the lower 48 states, meanwhile, averaged a record-high 86.7 bcf over the past 30 days. On a daily basis, production was only at around 86.4 bcf, well below the recent all-time high of 88.0 bcf on Oct. 31, according to data. Technically market is under fresh buying as market has witnessed gain in open interest by 24.19% to settled at 9334 while prices up 15.6 rupees, now Naturalgas is getting support at 262 and below same could see a test of 251.5 level, And resistance is now likely to be seen at 279.6, a move above could see prices testing 286.7.

MCX Copper



MCX Copper 30 NOV 2018

Open	438.2
High	438.2
Low	429.7
Close	431.25
% Cng	-1.78
OI	15116
Volume	38482
Resist 3	445
Resist 2	442
Resist 1	437
Support 1	428
Support 2	425
Support 3	420

Copper on MCX settled down -1.78% at 431.25 as the U.S. dollar strengthened and on lingering concerns about the trade war between the U.S. and China. Concerns over global trade tensions also remained in focus amid doubts over the potential for a trade deal between the U.S. and China. The U.S. Federal Reserve kept interest rates steady but reaffirmed its monetary tightening stance, setting the stage for a rate hike in December. The Fed held interest rates steady on Thursday but remained on track to keep gradually tightening borrowing costs, as it pointed to a healthy economy that was marred only by a dip in the growth of business investment. China's imports of copper ores and concentrates fell 18.7 percent from last month to 1.57 million tonnes in October, but were up 14.5 percent from the same time last year. The copper import data was part of a batch of China trade figures that showed much stronger-than-expected exports as shippers rushed goods to the United States to beat higher tariff rates due to kick in at the start of next year. Import growth also defied forecasts for a slowdown, suggesting Beijing's growth-boosting measures to support the cooling economy may be slowly starting to have an impact. China Customs published China's trade balance for October, reporting a bigger-than-expected trade surplus as imports shrank significantly. China's trade balance for October came in at \$34.01 billion, compared with the previous \$31.70 billion. Technically market is under fresh selling as market has witnessed gain in open interest by 12.34% to settled at 15116 while prices down -7.8 rupees, now Copper is getting support at 428 and below same could see a test of 424.6 level, And resistance is now likely to be seen at 436.5, a move above could see prices testing 441.6.

MCX Nickel



MCX Nickel 30 NOV 2018

Open	853
High	853
Low	824
Close	829.5
% Cng	-2.94
OI	16625
Volume	38276
Resist 3	876.0
Resist 2	864.5
Resist 1	847.0
Support 1	818.0
Support 2	806.5
Support 3	789.0

Nickel on MCX settled down -2.94% at 829.5 as pressure seen as China's nickel output gained 21% from Sep as two producers recovered from maintenance in October. Nickel ore inventories across all Chinese ports grew 160,000 wmt from a week ago to stand at 14.65 million wmt as of Friday November 9, data showed. In metal content, stocks gained 1,000 mt for the same period and stood at 123,000 mt. Stocks across seven major Chinese ports rose by 260,000 wmt to 10.73 million wmt. Henan province will impose winter production curbs on heavy industries across the province from November 15, 2018 to March 15, 2019, Henan Daily reported. The curbs would target the steel, coke, foundry, building materials, nonferrous, pharmaceuticals and pesticides sectors. Without blanket cuts, steelmakers that can meet ultra-low emission standards across all the processes or that adopt the electric arc furnace (EAF) can be exempted from the curbs. Some 13,200 mt of nickel was produced across China in October, standing 4.62% higher from a year ago. However, overall output in January-October was 8.63% lower on the year, at 119,200 mt. In October, China's nickel output surged 21.03% from September as two producers recovered from maintenance. November's output to increase 7.08%, or 936 mt from October, to 14,200 mt as nickel producers will step up operation to meet their annual targets. Technically market is under fresh selling as market has witnessed gain in open interest by 9.91% to settled at 16625 while prices down -25.1 rupees, now Nickel is getting support at 818 and below same could see a test of 806.5 level, And resistance is now likely to be seen at 847, a move above could see prices testing 864.5.



MCX Zinc 30 NOV 2018	
Open	185.35
High	187.30
Low	183.25
Close	185.25
% Cng	-0.05
OI	3416
Volume	23409
Resist 3	191.5
Resist 2	189.4
Resist 1	187.4
Support 1	183.3
Support 2	181.2
Support 3	179.2

Zinc prices dropped on expectations that a supply crunch will ease. Smelter margins in China are picking up and the expectation is that production is set to trend higher into year-end. The premium for cash zinc over the three-month contract at \$47.50 has eased from highs around \$60 in late October, but signals that shortages of nearby supply remain. The roughly 13.5 million tonne global zinc market had a deficit of 292,000 tonnes in the first eight months of the year, the International Lead and Zinc Study Group (ILZSG) said. Social inventories of refined zinc across Shanghai, Guangdong and Tianjin came in at 122,300 mt as of Friday November 9, down 13,600 mt from Monday November 5 and 18,700 mt from Friday November 2, data showed. Between November 5 and November 9, stocks in Shanghai shrank some 11.3% as a closed import arbitrage window limited seaborne materials entering the domestic market. Shanghai also saw fewer arrivals of domestic materials as dips in zinc prices discouraged smelters from offloading. Output of refined zinc in China stood at 459,300 mt in October, up 2.81% from a month earlier but down 8.29% from a year earlier. This brought the output in January-October to 4.426 million mt, standing 8.29% lower than the same period last year. Treatment charges (TCs) for zinc concentrate extended their gains in October as inflows of seaborne materials ensured adequate supplies in China's zinc concentrate market. Technically market is under long liquidation as market has witnessed drop in open interest by -4.98% to settled at 3416, now Zinc is getting support at 183.3 and below same could see a test of 181.2 level, And resistance is now likely to be seen at 187.4, a move above could see prices testing 189.4.



MCX Aluminium 30 NOV 2018	
Open	145.10
High	145.10
Low	142.45
Close	142.65
% Cng	-1.31
OI	3883
Volume	4204
Resist 3	147.1
Resist 2	146.1
Resist 1	144.4
Support 1	141.7
Support 2	140.7
Support 3	139.0

Aluminium on MCX settled down -1.31% at 142.65 on profit booking after prices gained with a federal court in Brazil upholding the partial shutdown of the world's largest alumina refinery, run by Norsk Hydro. China's aluminium exports fell in October as sliding domestic production meant less metal was available for overseas markets. China produced 3.114 million mt of primary aluminium in October, from 3 million mt in September. While losses forced many primary aluminium producers to cut output this year, with close to 1.35 million mt of capacity cut thus far this year, new capacity came onstream. More than 2 million mt of new capacity is likely to come online across 18 producers this year. The U.S. Commerce Department said it would impose final duties on Chinese common alloy aluminium sheet products. Top alumina refinery Alunorte in Brazil, run by Norsk Hydro, will remain on half capacity for environmental violations following a federal court ruling. China's unwrought aluminium and aluminium product exports came in at 482,000 tonnes last month, the General Administration of Customs said on Thursday, down 3.6 percent from a revised figure of 500,000 tonnes in September but still up 37.7 percent from October 2017. The U.S. Commerce Department said it would impose final duties on Chinese common alloy aluminium sheet products. Top alumina refinery Alunorte in Brazil, run by Norsk Hydro, will remain on half capacity for environmental violations following a Wednesday federal court ruling. Technically market is under fresh selling as market has witnessed gain in open interest by 4.8% to settled at 3883 while prices down -1.9 rupees, now Aluminium is getting support at 141.7 and below same could see a test of 140.7 level, And resistance is now likely to be seen at 144.4, a move above could see prices testing 146.1.

Spread View	
Commodity	Spread
MCX GOLD DEC-FEB	279.00
MCX SILVER DEC-MAR	885.00
MCX CRUDEOIL NOV-DEC	30.00
MCX NATURALGAS NOV-DEC	1.00
MCX ZINC NOV-DEC	-1.20
MCX NICKEL NOV-DEC	1.00
MCX LEAD NOV-DEC	1.35
MCX ALUMINIUM NOV-DEC	1.20

Ratio Trading	
Commodity	Ratio
Gold Silver ratio	84.10
Gold Crude ratio	7.11
Gold Copper ratio	71.92
Silver Crude ratio	8.45
Silver Copper ratio	85.52
Crude Natural Gas ratio	16.00
Zinc Lead ratio	130.05

LME Stock (Tons)		
Commodity	Change	Stock
Copper	-1275	171050
Nickel	-480	216834
Zinc	-575	133025
Aluminium	525	1055550
Lead	-300	111575

News you can Use

Indian gold demand in 2018 is expected to fall from the previous year as a rally in local prices to five-year highs is likely to dent purchases during key festivals in the December quarter, the World Gold Council (WGC) said. A fall in demand from the world's second-biggest bullion buyer could weigh on global prices that are already down 6.5 percent so far this year. But lower imports could also help the South Asian country reduce its trade deficit and support a weak rupee, which hit a record low last month. Gold demand in India usually spikes towards the end of the year, when buying the precious metal for weddings and major festivals such as Diwali and Dussehra is considered auspicious. This year's seasonal increase could be moderate, though, due to a liquidity crunch, rising local prices and impending elections in some key states that could impact trade logistics, Somasundaram said. Monsoon rainfall was deficient in some pockets of the country and that could hurt demand as well, Somasundaram said. India received below-normal monsoon rains this year, squeezing farmers earnings. Two-thirds of India's gold demand comes from rural areas, where jewellery is a traditional store of wealth. In the July-September quarter, Indian gold demand rose 10 percent from a year earlier to 183.2 tonnes, as prices fell to their lowest in 2018, encouraging bargain buying, the WGC said in a report.

Bank of England policymakers unanimously decided to maintain the monetary policy stance at the meeting, but signaled faster rate hikes than the current market expectations over Brexit uncertainties. Although the impact of Brexit cannot be determined in advance, the Monetary Policy Committee vowed to respond to any material change in the outlook. Inflation is forecast to stay above the 2 percent target over the coming two years and the bank kept growth projections broadly unchanged, while warning that much will depend on Brexit. At November's MPC meeting, all policymakers including Governor Mark Carney, voted to keep the key rate unchanged at 0.75 percent. The committee also unanimously decided to maintain the quantitative easing through asset purchases at GBP 435 billion. Policymakers judged that the current stance of monetary policy remained appropriate. The implications for the appropriate path of monetary policy will depend on the balance of the effects on demand, supply and the exchange rate, the BOE added. The MPC repeated that the monetary policy response to Brexit, whatever form it takes, will not be automatic and could be in either direction.

Bank of Japan Governor Haruhiko Kuroda reiterated that policy makers will be more mindful of the rising cost of prolonged stimulus, though the central bank chief ruled out the chance of a near-term interest rate hike. Kuroda said there was "no reason" now for the BOJ to follow in the footsteps of its U.S. counterpart in normalizing policy with inflation still distant from its 2 percent target. The governor, however, said that in keeping monetary conditions loose, the BOJ must now focus more on addressing the fallout of ultra-low rates such as the strains on financial institutions. "The BOJ fully recognizes that, by continuing monetary easing, financial institutions' strength will be cumulatively affected," Kuroda said in a speech to business leaders in Nagoya, central Japan. "Although these risks are judged as not significant at this point ... the BOJ will scrutinize developments and encourage financial institutions to take action as necessary," he said.

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