



Monday, January 21, 2019

	Open	High	Low	Close	% Cng	Round up
Precious Metals						
Gold	32276	32319	32055	32091	-0.55	Gold slipped as equities and the U.S. dollar got a lift from investors taking on more risk due to growing hopes for a resolution in the China-U.S. trade war.
Silver	39450	39583	39107	39198	-0.51	
Base Metal						
Aluminium	131.55	133.25	131.5	133.1	1.26	Base metals prices rose on optimism that the United States and top metals consumer China are closer to resolving their long-running trade dispute. China's move to inject liquidity into the financial system boosted expectations of higher demand in the world's top industrial metals consumer.
Copper	424.5	430.8	424.5	429.4	1.44	
Lead	139.35	142.75	139.35	141.9	1.65	
Nickel	826.6	842.8	825	838.7	2.11	
Zinc	181.45	186.15	181.45	185.3	2.04	
Energy						
Crude	3748	3872	3748	3854	3.49	Crude oil prices rise after a report from OPEC showed its production fell sharply last month, easing fears about prolonged oversupply.
Nat. Gas	242	244.1	228.3	238.2	-3.91	
Currency						
USDINR	71.10	71.33	71.10	71.24	0.21	Rupee ended down on dollar buying by nationalised banks for oil importers amid likely overseas fund outflow from local stocks.
EURINR	81.18	81.37	81.11	81.30	0.24	
GBPINR	92.20	92.53	92.06	92.28	0.75	
JPYINR	65.30	65.30	65.01	65.14	-0.38	

DAY	TIME	ZONE	ECONOMICAL DATA	EXP	PREV
	12:30pm	EUR	German PPI m/m	-0.001	0.001
	Tentative	EUR	German Buba Monthly Report	0	0
	All Day	USD	Bank Holiday	0	0
	0	0		0	0
	0	0		0	0
	0	0		0	0
Mon	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 \$
96.27	1.13793	1.28669	109.676	2635.96	7084.46	27214	1282.99	15.33	54.08
0.20	0.17	-0.04	-0.09	0.76	0.71	0.45	0.14	0.06	3.28



MCX Gold



MCX Gold 05 FEB 2019	
Open	32276
High	32319
Low	32055
Close	32091
% Cng	-0.55
OI	9337
Volume	9495
Resist 3	32519
Resist 2	32419
Resist 1	32255
Support 1	31991
Support 2	31891
Support 3	31727

Gold on MCX settled down -0.55% at 32091 as equities and the U.S. dollar got a lift from investors taking on more risk due to growing hopes for a resolution in the China-U.S. trade war. U.S. Treasury Secretary Steve Mnuchin mulled a tariff rollback during trade discussions with Chinese Vice Premier Liu He, scheduled for Jan 30. The dollar was headed for its first weekly gain in five, unfettered by New York Federal Reserve President John Williams' stance that the longest government shutdown was taxing. Gold demand turned fragile in India as local prices jumped to their highest level in 2-1/2-years, while traders in major buying centres in Asia pinned hopes on purchases ahead of the approaching Lunar New Year. Dealers in India were offering a discount of up to \$7 an ounce over official domestic prices this week, up from last week's discount of \$6. India's gold imports in December fell 24.3 percent from a year ago to \$2.57 billion, trade ministry data showed earlier in the week. Premiums in top consumer China stood mostly unchanged from last week at \$6 to \$9 an ounce. Hedge funds and money managers raised their net long position in Comex gold in the week to Dec. 18, the U.S. Commodity Futures Trading Commission said. Speculators raised their net long position in gold by 14,317 contracts to 24,569 contracts, CFTC data showed, to its highest net long position in six months. Technically market is under long liquidation as market has witnessed drop in open interest by -11.26% to settled at 9337 while prices down -177 rupees, now Gold is getting support at 31991 and below same could see a test of 31891 level, And resistance is now likely to be seen at 32255, a move above could see prices testing 32419.

MCX Silver



MCX Silver 05 MAR 2019	
Open	39450
High	39583
Low	39107
Close	39198
% Cng	-0.51
OI	15636
Volume	13159
Resist 3	39961
Resist 2	39772
Resist 1	39485
Support 1	39009
Support 2	38820
Support 3	38533

Silver on MCX settled down -0.51% at 39198 as investors pushed into riskier assets, including stocks, fueled by hope of potential progress toward a resolution in the U.S.-China trade dispute. Investors are optimistic about the U.S.-China trade deal despite the fact the Treasury has denied all the recent rumors. Investors were also increasingly wary that a U.S. partial government shutdown, in its 28th day, could deliver a more lasting impact to economic growth in the first quarter, although reaction in markets has been so far subdued. U.S. consumer sentiment tumbled in early January to its lowest level since President Donald Trump was elected more than two years ago as an ongoing partial shutdown of the federal government and financial market volatility stoked fears of a sharp deceleration in economic growth. The drop in confidence reported by the University of Michigan is the clearest sign yet that the impasse in Washington over Trump's demands for \$5.7 billion to help build a wall on the United States' border with Mexico was negatively impacting the economy. Trump has touted high consumer confidence as an indication of the good job he is doing on the economy. Hedge funds and money managers switched to a net long position in silver in the week to Dec. 18, the U.S. Commodity Futures Trading Commission said. Silver speculators switched to a net long position of 1,912 lots, adding 10,879 lots, CFTC said. This was the first time hedge funds and money managers held a net long position in silver since July. Technically now Silver is getting support at 39009 and below same could see a test of 38820 level, And resistance is now likely to be seen at 39485, a move above could see prices testing 39772.



MCX Crude Oil



MCX Crude Oil 19 FEB 2019	
Open	3748
High	3872
Low	3748
Close	3854
% Cng	3.49
OI	9275
Volume	52104
Resist 3	4026
Resist 2	3949
Resist 1	3902
Support 1	3778
Support 2	3701
Support 3	3654

Crudeoil on MCX settled up 3.49% at 3854 after a report from the Organization of the Petroleum Exporting Countries (OPEC) showed its production fell sharply last month, easing fears about prolonged oversupply. OPEC, along with some other producers including Russia, cut oil output sharply in December before a new accord to limit supply took effect on Jan. 1, it said, suggesting that producers have made a strong start to averting a glut in 2019 as a slowing economy curbs demand. OPEC said in its monthly report that its oil output fell by 751,000 barrels per day (bpd) in December to 31.58 million bpd, the biggest month-on-month drop in almost two years. But tempering that support for prices, OPEC also cut its forecast for average daily demand for its crude in 2019 to 30.83 million barrels, down 910,000 bpd from the 2018 average. Undermining OPEC's efforts to tighten oil markets has been a surge in crude output from the United States, which increased by more than 2 million bpd in the last year to an unprecedented 11.9 million bpd. U.S. crude output grew by 200,000 barrels from a week earlier to reach a record high of 11.9 million bpd last week. In a separate report, the EIA said U.S. production could possibly hit 13 million bpd by 2020. The EIA also reported outside builds in U.S. gasoline inventories and distillate stockpiles that offset a weekly drop in crude in storage. Technically market is under fresh buying as market has witnessed gain in open interest by 105.43% to settled at 9275 while prices up 130 rupees, now Crudeoil is getting support at 3778 and below same could see a test of 3701 level, And resistance is now likely to be seen at 3902, a move above could see prices testing 3949.

MCX Natural Gas



MCX Natural Gas 28 JAN 2019	
Open	242
High	244.1
Low	228.3
Close	238.2
% Cng	-3.91
OI	2346
Volume	91622
Resist 3	261
Resist 2	253
Resist 1	246
Support 1	230
Support 2	221
Support 3	214

Naturalgas on MCX settled down -3.91% at 238.2 on a forecast for less cold weather next week and reduced concerns about fuel in storage despite an extension of the frigid temperatures expected in the last week of January into February. With slightly less cold expected, Refinitiv, reduced its demand projection for next week for the Lower 48 U.S. states to 119.2 billion cubic feet per day (bcfd) from 120.0 bcfd. That compared with 116.4 bcfd during the warmer weather this week and a projected 127.6 bcfd for the last week of January, when extreme cold is expected to blanket much of the country. Colder forecasts for the next few weeks renewed concerns about low stockpiles and revived the extreme volatility seen at the end of 2018 after the market slumbered for several days at the start of the year. The weeks of warmer-than-usual weather in December and early January allowed utilities to cut the vast storage deficit from 21 percent a few weeks ago to just 11 percent currently. Gas output in the Lower 48 has averaged near a record high of 86.9 bcfd over the past 30 days. Cme Raises Natural Gas Henry Hub Future (Ng) Margins By 9.5 Percent To \$4,600 Per Contract From \$4,200 For Feb. 2019. Cme Says Initial Margin Rates Are 110 Percent Of These Levels. Cme Says Rates Will Be Effective After The Close Of Business On Jan. 18. Technically market is under long liquidation as market has witnessed drop in open interest by -2.7% to settled at 2346 while prices down -9.7 rupees, now Naturalgas is getting support at 229.7 and below same could see a test of 221.1 level, And resistance is now likely to be seen at 245.5, a move above could see prices testing 252.7.



MCX Copper



MCX Copper 28 FEB 2019	
Open	424.5
High	430.8
Low	424.5
Close	429.35
% Cng	1.44
OI	13507
Volume	46074
Resist 3	438
Resist 2	435
Resist 1	432
Support 1	426
Support 2	422
Support 3	419

Copper on MCX settled up 1.44% at 429.35 on optimism that the United States and top metals consumer China are closer to resolving their long-running trade dispute. Prices also seen support as market sentiment improved on hopes of a second Brexit referendum. China's move to inject liquidity into the financial system boosted expectations of higher demand in the world's top industrial metals consumer. The People's Bank of China is injecting 250 billion yuan (\$37 billion) through seven-day reverse bond repurchase agreements and 150 billion yuan through 28-day reverse repos. Chile's Cochilco state copper commission maintained its average price prediction of \$3.05 per pound for 2019, rising to \$3.08 for 2020, amid the continuing U.S.-China trade war and further potential volatility because of Brexit. Cochilco said it saw production at 5.941 million tonnes for 2019, up 1.6 percent from 5.845 million in 2018, and a 227,000 tonne deficit in the global market for 2019, dropping to 185,000 in 2020. Chile is the world's top producer of the red metal. The commission said it expected demand from China to nudge up 2.5 percent in 2019, along with a 10 percent uptick in demand from India given an uptick in its economic growth and local foundry operations. Planned maintenance at major copper smelters this year is expected to reduce supply of the refined metal used widely in the power and construction industries, further tightening the market and pushing premiums higher. Technically market is under short covering as market has witnessed drop in open interest by -12.26% to settled at 13507 while prices up 6.1 rupees, now Copper is getting support at 425.6 and below same could see a test of 421.9 level, And resistance is now likely to be seen at 431.9, a move above could see prices testing 434.5.

MCX Nickel



MCX Nickel 31 JAN 2019	
Open	826.6
High	842.8
Low	825
Close	838.7
% Cng	2.11
OI	8281
Volume	31992
Resist 3	863.8
Resist 2	853.3
Resist 1	846.0
Support 1	828.2
Support 2	817.7
Support 3	810.4

Nickel on MCX settled up 2.11% at 838.7 amid falling stockpiles and a tightening of time spreads suggested an undersupplied market. Nickel stocks in LME-registered warehouses at around 200,000 tonnes are down from more than 360,000 tonnes at the start of 2018 and at their lowest level since mid-2013. The drawdowns were partly due to metal being moved to non-exchange warehouses, rather than because it has been consumed. The discount of cash nickel compared to three-month metal rose to \$67 from \$9, which was the smallest discount in nearly two years. Stockpiles in exchange warehouses are near multi-year lows and the price of cash nickel surged this week compared with contracts for later delivery, suggesting a shortage of nearby material. The nickel market will likely be fairly balanced in 2019 after a small deficit of 40,000 tonnes in 2018, he added, predicting prices around \$11,500 at the end of this year. Exacerbating a squeeze on the LME, a single entity held between 40 and 49 percent of nickel warrants and there were large holders of long and short positions in the January futures contract. Battling a slowdown that could curtail demand for metals, China signalled more stimulus measures in the near term as it aims to achieve "a good start to 2019". government of Hebei, China's top steelmaking province, targeted the removal of all steel mills from Zhangjiakou and Langfang city in 2019. Technically market is under short covering as market has witnessed drop in open interest by -11.83% to settled at 8281 while prices up 17.3 rupees, now Nickel is getting support at 828.2 and below same could see a test of 817.7 level, And resistance is now likely to be seen at 846, a move above could see prices testing 853.3.



MCX Zinc 31 JAN 2019	
Open	181.45
High	186.15
Low	181.45
Close	185.30
% Cng	2.04
OI	3581
Volume	31060
Resist 3	191.9
Resist 2	189.0
Resist 1	187.2
Support 1	182.5
Support 2	179.6
Support 3	177.8

Zinc on MCX settled up 2.04% at 185.3 amid hopes on eased US-China trade tension and LME inventories shrink. China's refined zinc production saw its steepest plunge since 2013 last year amid tight raw material supply, longer maintenance periods and the relocation of the country's top smelter, according to Antaika, the research arm of the China Nonferrous Metals Industry Association. But a recent spike in treatment and refining charges (TC/RCs) in China, the top producer of the metal used to galvanise steel, could lead to a rebound this year. December output slipped by 4.4 percent on a daily basis from November to a monthly total of 393,000 tonnes as Zhuzhou Smelter Group, the country's top producer, went ahead with a planned relocation within southern China's Hunan province. Moderate inflows of imported zinc grew social inventories, but downstream stockpiling ahead of CNY capped inventory gains. Social inventories in Shanghai, Guangdong and Tianjin changed little on the week, and stood at 107,200 mt as of Friday January 18, up some 2,500 mt from Friday January 11 and up 500 mt from Monday January 14, data showed. Next week, downstream plants will begin to close for the holiday and this will slow purchases, which will further expand social stocks. China's move to inject liquidity into the financial system boosted expectations of higher demand in the world's top industrial metals consumer. Technically market is under fresh buying as market has witnessed gain in open interest by 8.19% to settled at 3581 while prices up 3.7 rupees, now Zinc is getting support at 182.5 and below same could see a test of 179.6 level, And resistance is now likely to be seen at 187.2, a move above could see prices testing 189.



MCX Aluminium 31 JAN 2019	
Open	131.55
High	133.25
Low	131.50
Close	133.10
% Cng	1.26
OI	4824
Volume	9184
Resist 3	135.4
Resist 2	134.3
Resist 1	133.7
Support 1	132.0
Support 2	130.9
Support 3	130.3

Aluminium on MCX settled up 1.26% at 133.1 as China announced more stimulus, with the country's central bank injecting more cash into the financial system, bringing the amount for the week to 1.14 trillion yuan (\$168.74 billion). Aluminium stocks held at three major Japanese ports had risen 7.2 percent to 316,800 tonnes by the end of December from the previous month. A vote by U.S. lawmakers cleared the way for sanctions to be lifted on major producer Rusal, potentially increasing supply. The U.S. Senate on Wednesday rejected legislation to keep sanctions on companies linked to Russian oligarch Oleg Deripaska, including aluminium firm Rusal. In December, the U.S. Treasury said it would lift sanctions on Rusal, the world's largest aluminium producer outside China. China's aluminium exports in 2018 rose 20.9 percent from a year earlier to a record high, according to customs data, as sanctions by the United States on Russian producer Rusal spurred demand for Chinese metal. The world's top aluminium producer exported 5.8 million tonnes of unwrought aluminium and aluminium products last year, the General Administration of Customs said, despite a 10 percent tariff on aluminium imports into the United States imposed in March. Shortages caused by the U.S. sanctions on Russia's United Company Rusal, announced in April, led to a spike in international aluminium prices, allowing Chinese suppliers to cash in and fill the void. Technically market is under short covering as market has witnessed drop in open interest by -10.77% to settled at 4824 while prices up 1.65 rupees, now Aluminium is getting support at 132 and below same could see a test of 130.9 level, And resistance is now likely to be seen at 133.7, a move above could see prices testing 134.3.

Spread View	
Commodity	Spread
MCX GOLD FEB-APR	133.00
MCX SILVER MAR-MAY	562.00
MCX CRUDEOIL FEB-MAR	36.00
MCX NATURALGAS JAN-FEB	-13.60
MCX ZINC JAN-FEB	0.10
MCX NICKEL JAN-FEB	-13.60
MCX LEAD JAN-FEB	0.85
MCX ALUMINIUM JAN-FEB	0.80

Ratio Trading	
Commodity	Ratio
Gold Silver ratio	81.87
Gold Crude ratio	8.33
Gold Copper ratio	74.74
Silver Crude ratio	10.17
Silver Copper ratio	91.30
Crude Natural Gas ratio	16.18
Zinc Lead ratio	130.63

LME Stock (Tons)		
Commodity	Change	Stock
Copper	125	135100
Nickel	-156	201228
Zinc	-1225	121650
Aluminium	-525	1303475
Lead	-5375	93025

News you can Use

The growth of the global economy is expected to slow to 2.9 percent in 2019 compared with 3 percent in 2018, the World Bank said, citing elevated trade tensions and international trade moderation. The World Bank outlook comes as the United States and China have been engaged in a bitter trade dispute, which has jolted financial markets across the world for months. The two economies have imposed tit-for-tat duties on each other's goods, although there were signs of progress on Tuesday as the two countries prepared to enter a third day of talks in Beijing. Growth in the United States is likely to slow to 2.5 percent this year from 2.9 percent in 2018, while China is expected to grow at 6.2 percent in the year compared with 6.5 percent in 2018, according to the World Bank. Emerging market economies are expected to grow at 4.2 percent this year, with advanced economies expected to grow at 2 percent, the World Bank said in the report.

China's central bank will ratchet up support for the economy by improving its policy transmission mechanism, governor Yi Gang said in remarks. Policymakers have pledged to step up support this year, following a raft of measures in 2018 including fast tracking infrastructure projects and cuts in banks' reserve requirements and taxes, amid a trade dispute with the United States. Data later this month is expected to show China growth slowed to around 6.6 percent in 2018 from 6.9 percent the previous year. Analysts are forecasting a further loss of momentum in coming months before policy support measures begin to kick in. "The financial support for the real economy has not weakened as economic growth slows. Instead, the support has increased to reflect counter-cyclical adjustments," the official Xinhua news agency quoted Yi as saying. The People's Bank of China said it was cutting the amount of cash that banks have to hold as reserves for the fifth time in a year, freeing up \$116 billion for new lending as it tries to reduce the risk of a sharp economic slowdown. The first targeted medium-term lending facility (TMLF) operation will come into operation this month, Yi said.

Federal Reserve policymakers have indicated they may be open to tweaking a longstanding plan to shrink the central bank's balance sheet, including by shedding housing-backed bonds earlier than anticipated or keeping a bigger-than-expected portfolio of assets. Those were among a range of options discussed at the Fed's December meeting, minutes showed. The discussion will continue at future meetings, the minutes said. The Fed for years bought bonds to stimulate a moribund economy, eventually accumulating a \$4.5 trillion balance sheet, but began reversing course in 2013, first by slowing its bond-purchases and then, in 2017, allowing the portfolio to shrink. The Fed is now trimming its holdings by \$50 billion each month, an amount intended to reduce the portfolio to a more "normal" size over a number of years without putting too much pressure on the Fed's short-term policy rate. It has now shed more than \$380 billion worth of U.S. Treasuries and mortgage bonds. But reserves are declining at a much faster rate, dropping to \$1.51 trillion at the end of 2018, from a 2014 peak of more than \$2.7 trillion. If reserves become too scarce, demand for them could push the Fed's key policy rate above its target band, now set at 2.25 percent to 2.5 percent. The Fed has already made a couple of technical adjustments to keep that from happening, and the minutes show policymakers may do so again. Policymakers also discussed other options to maintain control of rates, including the possibility of holding a larger "buffer" of securities, or slowing the pace of decline in reserves as they approach the desired longer-run level.

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