

Day's Highlights

- **Gold dips as equities gain ahead of Fed policy meeting**
- **Oil eases on economic worries, but OPEC-led cuts support**
- **Most base metals fall after weak U.S. manufacturing data**

Gold prices slipped on Monday as equity markets gained and the dollar steadied ahead of a U.S. Federal Reserve policy meeting later this week. There is much talk Fed policymakers will lower their interest rate forecasts, or "dot plots", to show little or no further tightening this year. U.S. manufacturing output fell for a second straight month in February and factory activity in New York state hit nearly a two-year low this month, offering further evidence of a sharp slowdown in economic growth early in the first quarter. The Chinese government has additional monetary policy measures that it can take to support economic growth this year, and will even cut "its own flesh" to help finance large-scale tax cuts. British Prime Minister Theresa May's government was scrambling on Sunday to get support in parliament for her Brexit deal at the third time of asking, aiming to persuade doubters with threats and promises to avoid any move to oust her. President Donald Trump issued the first veto of his presidency on Friday to block a measure passed by Democrats and Republicans in Congress that would terminate his emergency declaration for a wall on the U.S. border with Mexico. Physical gold demand improved this week in India as a correction in local prices attracted buyers, particularly with the wedding season underway, while premiums in China rose on steady buying in the world's leading consumer. Hedge funds and money managers trimmed their net long position by 6,097 contracts to 41,774 in COMEX gold in the week to March 12, the U.S. Commodity Futures Trading Commission (CFTC) said on Friday.

Oil prices dipped on Monday amid concerns that an economic downturn may dent fuel consumption, but crude markets remain broadly supported by supply cuts led by producer group OPEC and U.S. sanctions against Iran and Venezuela. Japan's exports fell for a third straight month in February in a sign of growing strain from slowing global demand. Despite this, oil prices have gained around a quarter since the start of the year amid U.S. sanctions against Iran and Venezuela, and as the Organization of the Petroleum Exporting Countries (OPEC) and non-affiliated allies like Russia - known as OPEC+ - have pledged to withhold 1.2 million bpd in supply to prop up prices. OPEC's de-facto leader Saudi Arabia said on Sunday that balancing oil markets was far from done as inventories were still high. Russia also said production cuts would stay in place at least until June. The International Energy Agency (IEA) said on Friday it expected oil markets to be in a modest deficit from the second quarter of 2019. Key for the supply and demand balance will be the United States, where crude production has soared by around 2 million bpd over the past year, thanks largely to an onshore boom in shale formation drilling. The number of rigs drilling for new oil production in the United States has been falling in 2019, and hit its lowest level since April 2018 last week, at 833 operating rigs.

Most industrial metals fell in early Asian trade on Monday after weak U.S. manufacturing data offered further evidence of a slowdown in economic growth early in the first quarter, while investors waited for clues as to when the Sino-U.S. trade war will end. The South China Morning Post reported on Saturday that a summit to end the trade row may be pushed back to June. China's refined copper output in January and February rose by 6.3 percent year-on-year to 1.34 million tonnes, the National Bureau of Statistics said on Friday. On a daily basis, output was around 22,712 tonnes, down 16.1 percent from December. U.S. manufacturing output fell for a second straight month in February and factory activity in New York state was weaker than expected. Russian tycoon Oleg Deripaska sued the United States on Friday, alleging that it had overstepped its legal bounds in imposing sanctions on him and made him the "latest victim" in the U.S. probe into Moscow's alleged election interference. Asian share markets crept ahead while bonds were in demand globally on speculation the U.S. Federal Reserve will sound decidedly dovish at its policy meeting this week.

Symbols	Exchange	Expiry	Close	Expected Movement	S1	S2	R1	R2	Strategy
Gold	MCX	Apr'19	31826	Downtrend	31630 \$1296	31550 \$1292	31750 \$1301	31840 \$1307	Sell around R1 with the S/L above R2 for the target of S1-S2
Silver	MCX	May'19	38087	Downtrend	37900 \$15.15	37670 \$15.00	38150 \$15.40	38350 \$15.50	Sell around R1 with the S/L above R2 for the target of S1-S2

Copper	MCX	Apr'19	445.55	Uptrend	443.50	441.00	448.50	451.50	Buy around S1 with the S/L below S2 for the target of R1-R2
Zinc	MCX	Mar'19	194.65	Downtrend	192.80	191.20	196.00	197.40	Sell around R1 with the S/L above R2 for the target of S1-S2
Aluminum	MCX	Mar'19	145.40	Downtrend	144.50	143.50	146.00	147.50	Sell around R1 with the S/L above R2 for the target of S1-S2
Nickel	MCX	Mar'19	888.80	Downtrend	884.00	877.00	896.00	904.00	Sell around R1 with the S/L above R2 for the target of S1-S2
Lead	MCX	Mar'19	141.85	Downtrend	141.00	139.80	143.00	144.50	Sell around R1 with the S/L above R2 for the target of S1-S2

Crude oil	MCX	Mar'19	4038.00	Uptrend	3990 \$58.30	3950 \$57.75	4050 \$58.90	4085 \$59.50	Buy around S1 with the S/L below S2 for the target of R1-R2
Natural Gas	MCX	Mar'19	194.10	Downtrend	190.00	187.00	195.50	198.00	Sell around R1 with the S/L above R2 for the target of S1-S2

**Metals & Energy
Technicals**

US Economic Data

Date	Time (IST)	Release	For	Consensus	Previous	Importance
18-Mar	-	No Major Data from US	-	-	-	-
19-Mar	19:30	Factory Orders	Jan	0.3%	0.1%	Very High

Consensus represents the market consensus estimate for each indicator | **Previous** represents the last actual for each indicator.

Source: Reuters, Investing.com, briefing.com, fxstreet.com

U.S. Factory Orders MoM:

Factory Orders measures the change in the total value of new purchase orders placed with manufacturers. The report also includes a revision of the Durable Goods Orders data released about a week earlier as well as data new data on non-durable goods orders.

A higher than expected reading should be taken as positive/bullish for the USD, while a lower than expected reading should be taken as negative/bearish for the USD.

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