

COMMODITY WORLD



Thursday, August 16, 2018

	Open	High	Low	Close	% Cng	Round up
Precious Metals						
Gold	29700	29817	29640	29735	0.03	Gold remained weak as dollar climbed towards its highest in over a year on concerns about global market contagion triggered by recent declines in the Turkish lira.
Silver	37770	37873	37660	37799	0.23	
Base Metal						
Aluminium	145.4	145.45	142.8	144.3	-0.86	Base metals fell pressured by concerns that the collapse of the Turkish lira could infect emerging markets and as data showed the Chinese economy was cooling. China's fixed-asset investment increased at the slowest pace on record in July and retail sales also softened amid an escalating trade dispute with the United States, data from the country's National Bureau of Statistics showed.
Copper	422.75	422.75	415.25	416.1	-1.78	
Lead	147.4	148	144.5	144.9	-1.70	
Nickel	944.8	948.3	935	936.7	-1.00	
Zinc	174.1	174.8	171.55	171.8	-1.07	
Energy						
Crude	4670	4783	4670	4712	1.49	Crude oil prices under pressure after data showed U.S. crude stockpiles jumped last week, compounding worries about a weaker global economic growth outlook.
Nat. Gas	204.8	208.4	204.5	207.6	1.07	
Currency						
USDINR	70.02	70.19	69.77	69.99	0.00	Rupee erased early gains to hit an all-time low as concerns about Turkey's economic woes persisted.
EURINR	80.00	80.07	79.73	79.89	0.19	
GBPINR	89.46	89.79	89.20	89.43	0.14	
JPYINR	63.50	63.50	62.95	63.12	-0.53	

View for the Day

SELL GOLD OCT 2018 @ 29650 SL 29850 TGT 29450-29250.MCX
 SELL SILVER SEP 2018 @ 37500 SL 37800 TGT 37100-36700.MCX
 SELL CRUDEOIL AUG 2018 @ 4640 SL 4700 TGT 4580-4500.MCX
 SELL NAT GAS AUG 2018 @ 206.50 SL 208.50 TGT 202.50-199.00.MCX
 SELL COPPER AUG 2018 @ 414.00 SL 417.00 TGT 409.00-404.50.MCX
 SELL ZINC AUG 2018 @ 170.00 SL 173.00 TGT 166.50-163.00.MCX
 SELL NICKEL AUG 2018 @ 930.00 SL 940.00 TGT 910.00-885.00.MCX
 SELL ALUMINIUM AUG 2018 @ 144.00 SL 145.50 TGT 141.50-138.00.MCX

DAY	TIME	ZONE	ECONOMICAL DATA	EXP	PREV
Thu	11:30am	EUR	German WPI m/m	0.005	0.005
	2:30pm	EUR	Trade Balance	16.5B	16.9B
	6:00pm	USD	Building Permits	1.31M	1.27M
	6:00pm	USD	Housing Starts	1.27M	1.17M
	6:00pm	USD	Philly Fed Manufacturing Index	22.3	25.7
	6:00pm	USD	Unemployment Claims	215K	213K
	8:00pm	USD	Natural Gas Storage	30B	46B
	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 \$
96.50	1.13832	1.27202	110.834	2821.93	7819.71	27103	1171.79	14.45	64.99
-0.22	0.33	0.20	0.11	-0.40	-0.25	-0.81	-0.25	0.36	-3.06



MCX Gold



MCX Gold 05 OCT 2018

Open	29700
High	29817
Low	29640
Close	29735
% Cng	0.03
OI	7662
Volume	6148
Resist 3	29999
Resist 2	29908
Resist 1	29822
Support 1	29645
Support 2	29554
Support 3	29468

Gold remained weak as dollar climbed towards its highest in over a year on concerns about global market contagion triggered by recent declines in the Turkish lira. The U.S. dollar holding steady near a recent peak as concerns about a Turkey crisis and China's economic health weighed on emerging market currencies. The United States ruled out removing steel tariffs that have contributed to a currency crisis in Turkey even if Ankara frees a U.S. pastor, as Qatar pledged \$15 billion in investment to Turkey, supporting a rise in the Turkish lira. The United States imposed sanctions on a Russian port service agency and Chinese firms for aiding North Korean ships and selling alcohol and tobacco to Pyongyang in breach of U.S. sanctions aimed at pressuring North Korea to end its nuclear programs. Some emerging market countries pared their holdings of U.S. Treasuries in June, data from the U.S. Treasury department showed on Wednesday, in what analysts viewed as a move to support their currencies as the Federal Reserve started raising interest rates this year. U.S. retail sales rose more than expected in July as households boosted purchases of motor vehicles and clothing, suggesting the economy remained strong early in the third quarter. China's state planner pledged on Wednesday to keep debt levels under control even as Beijing rolls out fresh stimulus to support the stumbling economy as a trade war with the U.S. deepens. The Perth Mint, Australia's largest precious metals refinery, depository and mint, on Wednesday announced a new gold-backed exchange-traded fund (ETF) with a low-price management fee, entering the field of lower-cost competitors on the New York Stock Exchange. Technically Gold is getting support at 29645 and below same could see a test of 29554 level, And resistance is now likely to be seen at 29822, a move above could see prices testing 29908.

MCX Silver



MCX Silver 05 SEP 2018

Open	37770
High	37873
Low	37660
Close	37799
% Cng	0.23
OI	26430
Volume	12618
Resist 3	38107
Resist 2	37990
Resist 1	37894
Support 1	37681
Support 2	37564
Support 3	37468

Silver prices dropped as the US Dollar held onto its crisis-inspired gains while Treasury bond yields recovered. The dollar rose to its highest level since June 2017 on worries over President Tayyip Erdogan's calls for lower interest rates and fraying ties between US and Turkey. Turkey's central bank announced an emergency liquidity boost, calming investors' frazzled nerves. Bullion has declined about 9 percent this year, pressured by rising U.S. interest rates, a soaring dollar and failure to capitalize on its traditional role as a hedge against global uncertainties. US retail sales rose more than expected in July as households boosted purchases of motor vehicles and clothing, suggesting the economy remained strong early in the third quarter. The Commerce Department said that retail sales increased 0.5% last month, instead of the forecasts of nudging up 0.1%. But data for June was revised lower to show sales gaining 0.2% instead of the previously reported 0.5% rise. US industrial production edged higher in July, boosted by higher manufacturing output in a positive sign for economic growth. The Federal Reserve Board said industrial production rose 0.1% last month after an upwardly revised 1% increase in June. Manufacturing output rose 0.3% in July, in line with the forecasts. Motor vehicle production rose 0.9% while output of machinery expanded 0.6% and computers and electronics grew 1.3%. Investors are concerned about the world economy as trade disputes between escalate between the United States and its major trading partners. Technically now Silver is getting support at 37681 and below same could see a test of 37564 level, And resistance is now likely to be seen at 37894, a move above could see prices testing 37990.



MCX Crude Oil



MCX Crude Oil 20 AUG 2018

Open	4670
High	4783
Low	4670
Close	4712
% Cng	1.49
OI	8017
Volume	141718
Resist 3	4887
Resist 2	4835
Resist 1	4774
Support 1	4661
Support 2	4609
Support 3	4548

Crudeoil looks to remain under pressure after data showed U.S. crude stockpiles jumped last week, compounding worries about a weaker global economic growth outlook. U.S. crude inventories rose unexpectedly last week, climbing 6.8 million barrels in spite of refinery crude runs hitting a record high. U.S. crude oil production and storage levels both rose last week, which traders said had pulled prices down. Output of U.S. crude rose by 100,000 barrels per day (bpd) in the week ending Aug. 10, to 10.9 million bpd, according to the U.S. Energy Information Administration (EIA) weekly production and storage report. At the same time, U.S. crude inventory levels climbed by 6.8 million barrels, to 414.19 million barrels, the EIA said. While supply rose in the United States, Asia's emerging markets were showing signs of economic slowdown due to trade disputes with the United States and currency weakness, dragging on oil market sentiment. Thursday's market moves followed in the slipstream of a statement by China's Ministry of Commerce that it would send a delegation led by vice commerce minister Wang Shouwen to the United States for trade talks in late August. The talks are at the invitation of the United States and will be held with U.S. Under Secretary of Treasury for International Affairs David Malpass, the commerce ministry said. Still, sentiment in oil markets was broadly cautious due to a rise in U.S. crude production and storage levels and weakness in emerging economies, especially in Asia. Technically market is under fresh buying as market has witnessed gain in open interest by 0.45% to settled at 8017 while prices up 69 rupees, now Crudeoil is getting support at 4661 and below same could see a test of 4609 level, And resistance is now likely to be seen at 4774, a move above could see prices testing 4835.

MCX Natural Gas



MCX Natural Gas 28 AUG 2018

Open	204.8
High	208.4
Low	204.5
Close	207.6
% Cng	1.07
OI	7601
Volume	30284
Resist 3	213
Resist 2	211
Resist 1	209
Support 1	205
Support 2	203
Support 3	201

Naturalgas on MCX settled up 1.07% at 207.60 prices broke out on Tuesday but were unable to hold trend line support which was former resistance while still prices are consolidated. The weather is expected to be normal with warmer than normal weather covers most of the east and west coasts, while cooler weather is hovering most of the mid-west. A weather system with showers and comfortable highs of 70s and 80s will impact the southern Great Lakes and Ohio Valley the next few days. The West remains hot with highs of 90s to 100s, while the Southeast is also hot with highs of 90s. High pressure will now strengthen into the East Coast with highs of 90s returning to major Northeast cities the rest of the week for strong demand. However, additional weather systems are expected into the central and then east-central US this weekend into early next week with showers and cooling. Overall demand will be HIGH the next few days easing to MODERATE. EIA estimates dry natural gas production was 81.8 billion cubic feet per day in July, up 0.4 Bcf per day from June. EIA forecasts dry natural gas production will average 81.1 Bcf per day in 2018, up by 7.5 Bcf per day from 2017 and establishing a new record high. EIA expects natural gas production will rise again in 2019 to 84.1 Bcf per day. EIA forecasts that pipeline exports of natural gas, which averaged 6.7 Bcf per day in 2017, will average 7.0 Bcf per day in 2018 and 8.5 Bcf per day in 2019. Technically market is getting support at 205.2 and below same could see a test of 202.9 level, And resistance is now likely to be seen at 209.1, a move above could see prices testing 210.7.



MCX Copper



MCX Copper 31 AUG 2018

Open	422.75
High	422.75
Low	415.25
Close	416.05
% Cng	-1.78
OI	28658
Volume	47507
Resist 3	428
Resist 2	426
Resist 1	421
Support 1	413
Support 2	411
Support 3	406

Copper on MCX settled down -1.78% at 416.05 on Tuesday while on Wednesday prices crashed in international markets after the union at the mammoth Escondida copper mine in Chile said talks with operator BHP would be extended by a day in the hopes of averting a planned strike. Indian markets remain closed Wednesday on account of Independence Day. The union said it was closer to a contract agreement after days of closely-watched negotiations, amid fears of a repeat of last year's strike at the world's biggest copper mine, which dragged on for 44 days. The union for Chile's Escondida mine said it was closer to a contract agreement, although health benefits and some other sticking points must be ironed out before a deal can be reached. The dollar advanced to a 13-month peak on Tuesday against a basket of major currencies as traders increased their safe-haven holdings of the U.S. currency on worries about the fallout from the Turkish lira's recent drop. A stronger dollar makes metals more expensive for holders of other currencies. Losses on Wednesday were triggered by a broad retreat in China as the yuan weakened and recent data showed the economy hit a rough patch. The metal's losses have accelerated as investors flee to the relative safety of the dollar amid Turkey's financial woes and as concern grows that a U.S.-China trade spat will curb economic growth, hurting demand for raw materials. Now a day ahead key things to watch today include the eurozone's seasonally adjusted current account surplus in June and US initial jobless claims last week. Technically now Copper is getting support at 413.3 and below same could see a test of 410.5 level, And resistance is now likely to be seen at 420.8, a move above could see prices testing 425.5.

MCX Nickel



MCX Nickel 31 AUG 2018

Open	944.8
High	948.3
Low	935
Close	936.7
% Cng	-1
OI	6289
Volume	38098
Resist 3	958.3
Resist 2	953.3
Resist 1	945.0
Support 1	931.7
Support 2	926.7
Support 3	918.4

Nickel on MCX settled down -1% at 936.70 on Tuesday while Indian markets remain closed Wednesday on account of Independence Day. Yesterday Shanghai nickel fell as much as 3 percent before closing 2.4 percent lower as the dollar hit a 13-month high against a basket of major currencies as safe-haven demand rooted in fears over fallout from the Turkish lira's recent drop boosted the U.S. currency. A stronger dollar makes metals more expensive for holders of other currencies. Base metals fell across the board in a broad sell-off on Wednesday as investors remain concerned over a slowdown in the economy of top metals consumer China. Markets continue to be spooked by global trade tensions, fearing they could hurt demand for industrial metals. Meanwhile the International Nickel Study Group (INSG) estimates that global first-use nickel usage jumped by 7.8 percent last year and by another 9.7 percent in the first five months of this year. Historical price correlations between nickel and stainless steel have broken down, according to Russia's Norilsk Nickel, the world's largest producer. Nickel has been caught up in the broader metallic sell-off but it is the only London Metal Exchange base metal still to be in positive year-to-date territory, up four percent at a current \$13,120 per tonne. Now a day ahead key things to watch today include the eurozone's seasonally adjusted current account surplus in June and US initial jobless claims last week. Technically market is under long liquidation as market has witnessed drop in open interest by -10.96% to settled at 6289 while prices down -9.5 rupees, now Nickel is getting support at 931.7 and below same could see a test of 926.7 level, And resistance is now likely to be seen at 945, a move above could see prices testing 953.3.



MCX Zinc



MCX Zinc 31 AUG 2018

Open	174.10
High	174.80
Low	171.55
Close	171.80
% Cng	-1.07
OI	8747
Volume	30901
Resist 3	177.2
Resist 2	176.0
Resist 1	173.9
Support 1	170.6
Support 2	169.4
Support 3	167.3

Zinc on MCX settled down -1.07% at 171.80 on Tuesday while Indian markets remain closed Wednesday on account of Independence Day. Yesterday Shanghai zinc slumped as much as 5.3 percent to 19,525 yuan a tonne, also its lowest since June 2017. In London, the metal was up 0.5 percent, having slid 6.3 percent on Wednesday and hit its lowest since October 2016 after a broad sell-off continue to be spooked by global trade tensions, fearing they could hurt demand for industrial metals, while a deal to avoid a strike at the Escondida copper mine in Chile, the world's largest, has removed a pillar of support for prices. LME zinc fell through all the technical supports to finish Wednesday 6.8% lower at \$2,283/mt, a new low since October 2016. Last night the US dollar index closed at 96.71 overnight after rising to over 96.98 earlier, the highest since June 2017 as investors added their holdings of the greenback on worries over slowing Chinese growth and Europe's exposure to Turkey. Upbeat figures on domestic retail sales, manufacturing output and worker productivity also supported the greenback and the view of steady US economic growth. The Chinese yuan fell past 6.95 per dollar in overnight offshore trading, following a batch of disappointing economic data earlier this week. Base metals tumbled across the board overnight. LME zinc slumped over 6.8%, lead plunged 6%, nickel dropped over 4%, copper fell 3.5% and aluminium slid over 2%. SHFE zinc plummeted 4.9%, lead collapsed 3.2%, copper tumbled 2.9%, nickel went down 2.8% with aluminium down 2.2%. Technically now Zinc is getting support at 170.6 and below same could see a test of 169.4 level, And resistance is now likely to be seen at 173.9, a move above could see prices testing 176.

MCX Aluminium



MCX Aluminium 31 AUG 2018

Open	145.40
High	145.45
Low	142.80
Close	144.30
% Cng	-0.86
OI	3308
Volume	8960
Resist 3	148.2
Resist 2	146.8
Resist 1	145.6
Support 1	143.0
Support 2	141.6
Support 3	140.4

Aluminium on MCX settled down -0.86% at 144.30 on Tuesday while Indian markets remain closed Wednesday on account of Independence Day. While Yesterday aluminum's three-month price fell \$45 to \$2,025 per tonne plummeted at the close of trading largely affected by sharp risk-off sentiment amid volatile currency flows. While today some support can be seen after the news that a Chinese delegation led by Vice Commerce Minister Wang Shouwen will travel to the United States for trade talks in late August, China's Ministry of Commerce said on Thursday. Today's collapse in the base metals complex means all base metals, bar aluminium, are now sitting at their lowest levels this year; many have had the sharp gains made in the late 2017 'Trump Bump' wiped out. Equally, lead's three-month price is down 6% and hit a low of \$1,919 per tonne, its lowest point since September 2016 and falling 25% in the year to date. Last night the US dollar index closed at 96.71 overnight after rising to over 96.98 earlier, the highest since June 2017 as investors added their holdings of the greenback on worries over slowing Chinese growth and Europe's exposure to Turkey. The Chinese yuan fell past 6.95 per dollar in overnight offshore trading, following a batch of disappointing economic data earlier this week. The euro rebounded from a 13-month trough versus the dollar and Swiss franc, helped by news that Qatar pledged to invest \$15 billion in Turkey. Now a day ahead key things to watch today include the eurozone's seasonally adjusted current account surplus in June and US initial jobless claims last week. Technically now Aluminium is getting support at 143 and below same could see a test of 141.6 level, And resistance is now likely to be seen at 145.6, a move above could see prices testing 146.8.

Spread View	
Commodity	Spread
MCX GOLD OCT-DEC	227.00
MCX SILVER SEP-DEC	828.00
MCX CRUDEOIL AUG-SEP	-28.00
MCX NATURALGAS AUG-SEP	1.20
MCX ZINC AUG-SEP	0.80
MCX NICKEL AUG-SEP	1.20
MCX LEAD AUG-SEP	1.15
MCX ALUMINIUM AUG-SEP	1.05

Ratio Trading	
Commodity	Ratio
Gold Silver ratio	78.67
Gold Crude ratio	6.31
Gold Copper ratio	71.47
Silver Crude ratio	8.02
Silver Copper ratio	90.85
Crude Natural Gas ratio	22.70
Zinc Lead ratio	118.61

LME Stock (Tons)		
Commodity	Change	Stock
Copper	2750	257625
Nickel	-384	248328
Zinc	-2925	253250
Aluminium	-4650	1131275
Lead	3250	125425

News you can Use

The European Central Bank said uncertainties related to global factors, notably the threat of protectionism remains prominent. In the Economic Bulletin, the ECB said the risk of persistent heightened financial market volatility continues to warrant monitoring. Nonetheless, the bank said risks surrounding the euro area growth outlook were broadly balanced. At the July rate-setting meeting, the ECB left its interest rates unchanged and maintained the forward guidance on monetary stimulus. The bank observed that uncertainty around the inflation outlook is receding. Looking ahead, bank said underlying inflation is forecast to pick up towards the end of the year and to increase gradually over the medium-term.

China's factory price inflation cooled in July amid a slowdown in economic growth with Beijing locked in a heated trade dispute with Washington, although economists expect punitive tariffs on U.S goods to add to wider price pressures in months ahead. The producer price index (PPI) — a gauge of factory gate inflation — rose 4.6 percent in July from a year earlier, according to the National Bureau of Statistics (NBS). The July inflation data is the first official reading on the impact on prices from China's tariffs on \$34 billion of U.S. goods that went into effect on July 6 and apply to a range of products from soybeans, to mixed nuts and whiskey. Signs that inflation remains benign will provide some latitude for policymakers who have placed a priority on shoring up the slowing economy through various easing measures. The NBS attributed the slower producer inflation to smaller increases in metals prices. On a month-on-month basis, the PPI rose 0.1 percent in July, compared with a 0.3 percent growth in June. Raw material prices jumped 9.0 percent in July from a year earlier, compared with an 8.8 percent increase in June. Official data showed China's July import growth accelerated to its fastest since January, although the outlook for inbound shipments is clouded by the yuan's sharp drop in recent months.

China's monthly imports of copper concentrate rose to a record in July as Chinese smelters ramped up purchases to feed their growing capacity and take advantage of high processing charges. China, the world's biggest copper consumer, imported 1.845 million tonnes of copper ores and concentrates last month, according to data released by the General Administration of Customs. That was up 31.8 percent from a year earlier, beating the previous record of 1.78 million tonnes in November 2017, and also 5.4 percent higher than the revised figure of 1.75 million tonnes imported in June. Miners pay copper smelters the TC/RCs, which Lau said were currently in the high \$80s per tonne, to process ore into refined metal. The TC/RCs fall when supply decreases, which could soon be the case amid the prospect of a labour strike at the Escondida copper mine, the world's largest, in Chile. Meanwhile, China's unwrought copper imports - which include anode, refined, alloy and semi-finished copper products - rose by 2.7 percent from a month ago to 452,000 tonnes in July, customs said. The imports were up 15.9 percent year-on-year.

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