

Day's Highlights

- **Gold falls 1 percent as 'no-deal' Brexit fears fade, dollar rises**
- **Oil prices stable, supported by signs of emerging supply deficit**
- **Copper drops on weak Chinese data and surge in LME stocks**

Gold fell more than 1 percent on Thursday, slipping below \$1,300 for a second time this month, as fears of a “no-deal” Brexit faded and the dollar gained versus the pound ahead of a vote to extend the deadline for Britain’s exit from the European Union. The dollar index drew strength from a subdued pound ahead of a parliamentary vote, expected to call for a short delay to Brexit, later in the day. Also impeding demand for gold, global equities rode a surge in European stocks as risks of a British no-deal divorce from the EU faded. U.S.-China trade talks are also keeping investors on their toes. U.S. President Donald Trump cited progress in the talks, following reports saying leaders of the two countries have postponed their next meeting to at least April. Trump had earlier emphasized he was in “no rush” to secure a deal with China. The dollar has been the preferred refuge for investors concerned by the heightened trade tensions since last year, in turn denting appeal for gold. Silver slipped for the first time in five sessions and was down nearly 2 percent at \$15.18 per ounce.

Oil prices were steady on Friday, supported as production cuts led by OPEC and U.S. sanctions against Venezuela and Iran likely created a slight deficit in global supply in the first quarter of 2019. But oil prices have been capped by concerns that an economic slowdown will soon start denting growth in fuel demand. Brent crude oil futures were at \$67.15 per barrel, 8 cents below their last close, but still within a dollar of the \$68.14 2019-high reached the previous day. U.S. West Texas Intermediate (WTI) crude oil futures were at \$58.55 per barrel, down 6 cents from their last settlement, and not far off their 2019-high of \$58.74 from the previous day. Despite Friday’s dips, oil has rallied around a quarter since the start of the year. The Organization of the Petroleum Exporting Countries (OPEC) and non-affiliated allies such as Russia - known as the OPEC+ alliance - pledged to withhold 1.2 million barrels per day (bpd) in crude supply from the start of the year to tighten markets and prop up prices. Meanwhile, U.S. sanctions against Venezuela as well as Iran have further tightened oil markets. With OPEC voluntarily withholding supply and U.S. sanctions preventing Iranian and Venezuelan oil from entering markets, global crude flow data in Refinitiv showed a slight supply deficit likely appeared in the first quarter.

Copper prices dropped on Thursday as industrial output in top metals consumer China fell to a 17-year low in the first two months of 2019, while LME stocks of the metal used in power and construction rose. Other Chinese data showed a mixed picture as the jobless rate climbed but property investment strengthened. Benchmark copper on the London Metal Exchange closed 1.1 percent lower at \$6,404 per tonne, its lowest in nearly a week. U.S. President Donald Trump and Treasury Secretary Steven Mnuchin said on Thursday that discussions with China to end a months-long trade war are progressing quickly, though Trump said he could not say whether a final deal would be reached. There were reports earlier saying a meeting between Washington and Beijing scheduled for later this month could be pushed back to at least April. Hopes for a resolution of the long-standing trade conflict have helped propel the LME index of six major base metals up nearly 9 percent so far this year. On-warrant stocks of copper, those not earmarked for delivery, in LME-approved warehouses jumped 34,900 tonnes to 66,325 tonnes. China’s daily steel output rose in January and February, as mills in the world’s top producer raised production amid firm steel margins and easier environmental restrictions. LME inventories of zinc fell 250 tonnes to 58,700 tonnes, their lowest since October 2007. Aluminium fell 0.2 percent to \$1,903 per tonne, zinc shed 0.8 percent to \$2,825, lead ceded 0.7 percent to \$2,114, tin eased 0.7 percent higher at \$21,170 and nickel lost 2.5 percent to \$12,880.

Symbols	Exchange	Expiry	Close	Expected Movement	S1	S2	R1	R2	Strategy
Gold	MCX	Apr'19	31808	Downtrend	31770 \$1293	31650 \$1289	31880 \$1300	32000 \$1306	Sell around R1 with the S/L above R2 for the target of S1-S2
Silver	MCX	May'19	37927	Downtrend	37900 \$15.12	37670 \$15.00	38350 \$15.35	38600 \$15.50	Sell around R1 with the S/L above R2 for the target of S1-S2

Copper	MCX	Apr'19	445.15	Downtrend	442.80	440.00	448.00	450.00	Sell around R1 with the S/L above R2 for the target of S1-S2
Zinc	MCX	Mar'19	198.85	Downtrend	197.30	195.80	199.50	200.60	Sell around R1 with the S/L above R2 for the target of S1-S2
Aluminum	MCX	Mar'19	146.45	Downtrend	145.50	144.50	147.40	148.50	Sell around R1 with the S/L above R2 for the target of S1-S2
Nickel	MCX	Mar'19	891.30	Downtrend	885.00	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	145.60	Downtrend	144.50	143.60	146.50	148.00	Sell around R1 with the S/L above R2 for the target of S1-S2

Crude oil	MCX	Mar'19	4061	Uptrend	4020 \$58.30	3980 \$57.75	4090 \$58.90	4130 \$59.50	Buy around S1 with the S/L below S2 for the target of R1-R2
Natural Gas	MCX	Mar'19	197.70	Downtrend	194.00	192.00	198.50	201.00	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
15-Mar	14:30	IEA Monthly Report	February	-	-	Very High
15-Mar	18:00	NY Empire State Manufacturing Index	Mar	10.10	8.80	Very High
15-Mar	18:45	Industrial Production	February	0.4%	-0.6%	High
15-Mar	19:30	JOLTs Job Opening	January	7.220M	7.335M	Very High
15-Mar	19:30	Michigan Consumer Expectations	Mar	86.0	84.4	Very High
15-Mar	19:30	Michigan Consumer Sentiment	Mar	95.5	938	Very High
15-Mar	22:30	US Baker Hughes Oil Rig Count	W/o 8 th March	-	834	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. NY Empire State Manufacturing Index:

The Empire State Manufacturing Index rates the relative level of general business conditions New York state. A level above 0.0 indicates improving conditions, below indicates worsening conditions. The reading is compiled from a survey of about 200 manufacturers in New York state.

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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