

Bullion

Gold

On Wednesday, spot gold prices ended higher by 1.02 percent to close at \$1346.1 per ounce over stronger expectation of a rate cut by the U.S. FED. The US Federal Reserve kept the interest rates unchanged, but stated that they might trim the rates in their next meeting which is in July 2019. Rising trade tension and worries over weak inflation will pressurizes the U.S. FED to cut down the rates which might weigh on the U.S. Dollar Index and in turn support Gold prices.

However, Optimism over a possible trade deal between US & China might dent the appeal for the bullion metal. President Donald Trump stated that the U.S. & China will resume with the trade talks before the two presidents meet at the G20 meet which will be held later this month in Japan. President trump has confirmed that he will be meeting China's president Xi Jinping to try and resolve the prolonged trade spat.

Silver

On Wednesday, Spot silver prices ended lower by 1.00 percent to close at \$15.2 per ounce in line with the Gold prices.

On the MCX, silver prices declined marginally by 0.02 percent to close at Rs.37695.0 per kg.

Outlook

Chances of a rate cut might support Gold prices. However, optimism over a possible trade deal between US and China might shift the investors towards riskier assets, denting the appeal for Gold.

On the MCX, gold prices are expected to trade higher today; international markets are trading lower by 2.67 percent at \$1384.85 per ounce.

Technical Outlook

valid for June 20, 2019

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1374/1369	1399/1413
MCX GOLD AUG'19 (Rs/10GMS)	32900/32800	33500/33850
SPOT SILVER (\$/OZ)	15.15/15.00	15.5 /15.70
MCX SILVER JULY19 (Rs/KG)	37000/36850	37900/38200

Market Highlights (% change)

as on June 19, 2019

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	69.6	-0.06	-0.4	0.0	-2.3
Euro/\$ (Spot)	1.1	0.29	-0.6	0.6	-3.4
Dollar Index	97.1	-0.5	0.1	-0.9	22.2
NIFTY	11691.5	0.00	-1.8	-0.2	7.7
SENSEX	39112.7	0.17	-1.6	0.4	113.9
DJIA	26504.0	0.15	1.9	2.8	7.3
S&P	2926.46	0.3	1.6	2.2	5.5

Gold (% change)

as on June 19, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	1359.9	1.02	2.0	6.7	6.4
Gold (Spot - Mumbai)	32825.0	-0.45	1.0	4.3	6.7
Comex (May'19)	1344.6	-0.15	1.0	5.6	5.4
MCX (Jun'19)	33079.0	0.17	1.0	5.3	6.8

(Comex, Gold spot in \$ per ounce, MCX, Gold spot Mumbai in Rs/10 gms) Source: Reuters

Silver (% change)

as on June 19, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	15.2	1.00	2.9	4.9	-7.6
Silver (Spot - Mumbai)	37280.0	-0.05	1.2	3.0	-6.9
Comex	15.0	1.12	1.8	3.9	-8.1
MCX Silver	37695.0	-0.02	1.4	2.6	-7.4

(Comex in \$ per ounce, MCX, Silver spot in Rs/kg)

Source: Reuters

Energy

Crude Oil

On Wednesday, Crude dipped by 0.3 percent to close at \$53.8 per barrel. Optimism over a possible trade deal between US and China amid supply disruption worries rising from the Middle East pushed the prices higher.

Members of the OPEC finally agreed to meet on 1st of July, 2019 to discuss whether to continue with the production cuts applied since the start of 2019. The OPEC meeting will be followed by a meeting with non-OPEC allies on the 2nd of July, 2019.

Investors will have an eye on the G20 summit which is to be conducted in Japan later this month where U.S. President Donald Trump will likely meet Chinese President Xi Jinping. The two countries will resume with the trade talks before the presidents of the two countries meet in Japan.

Outlook

US Crude Inventories declined unexpectedly last week by 3.1 million barrels which push Crude prices higher in today's trading session.

On the MCX, oil prices are expected to trade higher today; international markets are trading higher by 1.32 percent at \$54.68 per barrel.

Technical Outlook

valid for June 20, 2019

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	53.9/53.1	55.3/56.0
MCX CRUDE JUNE'19 (RS/BBL)	3720/3670	3820/3870
BRENT CRUDE OIL(\$/BBL)	61.8/61.1	63.3/64.0

Market Highlights - Crude Oil (% change) as on June 19, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	64.3	-0.8	1.9	-13.0	-13.5
NYMEX CRUDE	53.8	-0.3	5.1	-14.7	-17.4
ICE BRENT CRUDE	61.8	-0.5	3.1	-14.4	-17.9
MCX CRUDE	3738.0	0.2	3.9	-15.3	-16.6

(Brent & NYMEX Crude in \$ per bbl, MCX Crude in Rs/bbl)

Source: Reuters

Market Highlights - Natural Gas (% change) as on June 19, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.3	-1.9	-4.0	-13.0	-22.8
MCX NG	161.0	-1.1	-3.2	-11.7	-20.1

(NYMEX NG in \$/MMbtu, MCX NG in Rs/MMBtu)

Source: Reuters

Base Metals

On Wednesday, base metals on the LME were mixed with Nickel gaining the 4 most amongst the pack. Supply curbs have pushed iron ore prices higher which also pushed Nickel prices higher. A sudden decline in supply by one of the top exported Brazil due to mine closure for inspection which started the deadly landslide which killed over 200 people.

The supply situation further worsened after the tropical cyclone that struck in late March 2019 in north-western Australia which is the main iron ore producing region.

He further added that the two countries; U.S. & China will resume with the trade talks before the two presidents meet at the G20 meet which will be held later this month in Japan. Optimism over a possible trade deal might push the industrial metal prices higher. U.S. Trade Representative Robert Lighthizer will meet China's vice premier Liu He and chief negotiator in the trade talks during the world leaders meet in Osaka along with U.S. Treasury Secretary Steven Mnuchin before the presidents of the two countries meet.

Copper

On Wednesday, LME Copper prices dipped by 0.5 percent to close at \$5918.0 per tonne. Supply disruptions arising out of Chile and Zambia might support the red metal prices. However the long driven trade war continues to hamper the prices.

Outlook

Weakening of the Chinese economy over rising uncertainties of the trade spat between US and China might weigh on the industrial metal prices.

On the MCX, Copper prices are expected to trade higher today; international markets are trading higher 1.15 percent at \$5962.5 per tonne.

Technical Outlook

valid for June 20, 2019

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER JUNE'19	409/406	416/420
MCX ZINC JUNE'19	204/202.5	207/208.5
MCX LEAD JUNE'19	153/151.5	156/157.8
MCX ALUMINIUM JUNE'19	141.5/140	144.5/146
MCX NICKEL JUNE'19	880/870	900/910
MCX BRASS JUNE'19	319/317	325/327

Market Highlights – Base Metals (% change) as on June 19, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper(3month)	5918.0	-0.5	1.1	-1.3	-15.0
MCX Copper	412.5	-0.8	1.3	-1.8	-12.0
LME Aluminium (3 month)	1779.0	0.1	-0.4	-0.8	-20.2
MCX Aluminium	143.1	0.1	-0.2	-1.5	-6.2
LME Nickel (3 month)	12120.0	1.4	2.3	0.2	-19.1
MCX Nickel	891.8	1.7	2.9	5.8	-12.3
LME Lead (3 month)	1902.0	-0.8	0.5	5.1	-22.0
MCX Lead	154.7	-1.0	0.0	23.1	-6.7
LME Zinc (3 month)	2463.0	-2.0	-1.9	-4.7	-19.8
MCX Zinc	205.4	-1.3	-0.4	-3.9	-2.6
MCX Brass	325.0	0.0	-0.8	-2.9	-11.2

Source: Reuters

LME Inventories in tonnes

COMMODITY	19/06/19	18/06/19	CHG	%CHG
COPPER	248375	250750	-2375	-0.95%
ALUMINIUM	1038700	1046850	-8150	-0.78%
NICKEL	170088	167130	2958	1.77%
ZINC	99475	98650	825	0.84%
LEAD	67725	67875	-150	-0.22%

Source: Reuters

Economic indicators to be released on 20-Jun-19

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
Retail Sales m/m	UK	3:00PM	-	-0.5%	0.0%	High
MPC Official Bank Rate Votes	UK	5:30PM	-	0-0-9	0-0-9	High
Monetary Policy Summary	UK	5:30PM	-	-	-	High
Official Bank Rate	UK	5:30PM	-	0.75%	0.75%	High
Philly Fed Manufacturing Index	US	7:00PM	-	-	-	Medium

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