

Commodity Morning Update

November 01, 2019

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Energy

Crude International

International Oil futures tumbled over 2% on Thursday after data official government from China showed that their factory activity slowed in September, it's slowest since February 2016.

Prices were also pressurised after the U.S. could be facing extra supply pressure after flows out of the Cushing, Oklahoma storage hub were disrupted because of reduced flows on a pipeline. Analysts believe that supply out of Cushing could see supply pile up in the delivery hub.

However, international Oil futures rebounded marginally this Friday morning in Asian trade amid covering of shorts. Upside could also remain limited after U.S. crude production soared nearly 600,000 barrels per day in August to a record of 12.4 million, buoyed by a 30% increase in Gulf of Mexico output, according to government data.

Support/Resistance for ICE Brent December is 58.80-57.50/60.60-61.30.

Support/Resistance for NYMEX WTI December is 53.30-52.70/54.70-55.30.

Crude Domestic

Domestic crude on MCX started higher this Friday morning, tracking firm overseas prices.

Support/Resistance for MCX Crude November is 3830-3770/3910-3950.

Natural Gas International

International Natural Gas ended lower on Thursday and remained weak this Friday morning in Asian trade after EIA reported that inventories of natural gas rose by 89 BCF for the week ended Oct. 25 slightly higher of the build 85 BCF expected by analysts.

Support/Resistance for NYMEX Natural Gas December is 2.600-2.550/2.700-2.790.

Natural Gas Domestic

Domestic Natural Gas started higher this Friday morning.

Support/Resistance for MCX Natural Gas November is 186.00-183.50/191.00-193.50.

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Bullion

International

International bullion prices ended higher on Thursday as uncertainty surrounding a U.S.-China trade deal bolstered the metal's safe-haven appeal.

Bloomberg reported that Chinese officials have doubts about whether it is possible to reach a comprehensive long-term trade deal with Washington and U.S. President Donald Trump.

Meanwhile, the number of Americans filing applications for unemployment benefits rose slightly more than expected last week, pointing out to the concerns of an economic slowdown still existing and supported prices.

Weak US Dollar also helped bullion prices. US Dollar Index ended at 97.32 on Thursday and is weak this Friday morning in Asian trade.

Gold and silver prices were flat on Friday morning in Asian trade as investors awaited crucial non-farm payrolls data.

The Institute for Supply Management is due to release data from its survey of purchasing managers on later in the day.

Holdings of the largest gold-backed exchange-traded-fund (ETF), New York's SPDR Gold Trust fell 0.19% on Wednesday from Tuesday.

Support/Resistance for LBMA Gold spot is 1505.00-1495.00/1519.00-1530.00.

Support/Resistance for LBMA Silver spot is 17.90-17.70/18.17-18.46.

Domestic

Domestic bullion started lower this Friday morning.

Support/Resistance for MCX Gold December is 38250-38100/38650-38900.

Support/Resistance for MCX Silver December is 46300-46000/46900-47250.

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Base Metals

International

LME Copper ended lower on Thursday after data from government showed that their factory activity slowed in September, it's slowest since February 2016.

Additionally, prices were also weighed down by uncertainty surrounding the U.S-China trade deal.

Prices have started with small gains this Friday morning in Asian trade after a private business survey showing a better-than-expected factory data in China boosted trading sentiment.

The official survey focuses more on heavy industry than Caixin's, and the two surveys cover different places in China.

Asian shares fell in a weak start to the month and off three-month highs struck this week on fresh concerns over Sino-U.S. trade prospects and ahead of U.S. economic data, while the dollar eased against major rivals.

Support/Resistance for LME 3M Copper is 5833.00-5810.00/5874.00-5900.00.

Support/Resistance for LME 3M Nickel is 16500.00-16380.00/16900.00-17160.00.

Domestic

Most metals started higher this Friday morning, tracking firm overseas prices.

Support/Resistance for MCX Copper November is 436.50-434.00/439.30-441.60

Support/Resistance for MCX Nickel November is 1196.00-1189.00/1210.00-1217.00.

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Cotton

International

ICE cotton tumbled almost 2% on Thursday on weak export sales and uncertainty over a trade deal between the United States and China.

However, prices were marginally higher this Friday morning in Asian trade.

USDA in its weekly export-sales report showed net sales of 108,100 running bales (RB) for 2019/20 marketing year were down 23% from the previous week and 39% from the prior four-week average, for the period ended Oct. 24.

Also, the trade talks are going south, there's not much of a hope for a trade deal. At this point, the market is torn between weak global demand and higher U.S. supply because of acreage.

Support/Resistance for ICE Cotton December is 63.90-62.80/66.30-67.00.

Cotton futures opened lower on Friday on the Zhengzhou Commodity Exchange (ZCE).

Support/Resistance for ZCE Cotton January is 12900-12800/13155-13210.

Domestic Cotton

Domestic Cotton ended weak Thursday and started lower this Friday morning.

Support/Resistance for MCX Cotton November is 19270-19100/19500-19630.

Domestic Kapas

Domestic Kapas ended higher on Thursday, but started lower this Friday morning.

Support/Resistance for MCX Kapas April is 1085-1082/1090-1093.

Domestic Cotton Seed Oilcake

Domestic Cotton Seed Oilcake ended higher on Thursday and started marginally higher this Friday morning.

Support/Resistance for NCDEX Cotton Seed Oil December is 2268-2253/2282-2320.

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