



Friday, September 21, 2018

	Open	High	Low	Close	% Cng	Round up
Precious Metals						
Gold	30600	30670	30562	30599	-0.09	Gold prices traded in range following news that China would retaliate against a new round of U.S. tariffs on its goods. U.S. Treasuries also rose.
Silver	37252	37390	37200	37259	-0.17	
Base Metal						
Aluminium	145.25	146.35	145	145.8	0.97	Base metals prices seen supported after a new round of U.S.-China trade tariffs were not as severe as expected. China responded to the latest U.S. tariffs on \$200 billion of Chinese goods, levied at an initial 10 percent instead of 25 percent, with tariffs on about \$60 billion worth of U.S. goods, as previously planned, but has reduced the levies it will collect on the products.
Copper	436.7	439.2	434.8	438.9	0.29	
Lead	145	145.2	143.1	143.9	-0.96	
Nickel	900	908.5	897.4	906.9	1.07	
Zinc	175	176.9	174.85	176.8	1.38	
Energy						
Crude	5084	5136	5054	5063	-0.71	Crude oil prices turned lower after U.S. President Donald Trump took another swipe at global oil producers.
Nat. Gas	209.5	214.8	207.7	214	1.90	
Currency						
USDINR	72.78	72.99	72.39	72.46	-0.64	Rupee weakened as Brent crude oil prices surges beyond \$79 a barrel after reports that Saudi Arabia is comfortable with Brent above \$80 a barrel
EURINR	85.00	85.33	84.61	84.73	-0.58	
GBPINR	95.76	96.20	94.99	95.27	-0.57	
JPYINR	64.82	64.93	64.49	64.53	-0.87	

View for the Day

BUY GOLD OCT 2018 @ 30750 SL 30640 TGT 30880-31000.MCX
 BUY SILVER DEC 2018 @ 37400 SL 37100 TGT 37680-37850.MCX
 SELL CRUDE OIL OCT BELOW 5092 SL ABV 5140 TGT 5056-5015. MCX (STBT)
 BUY NAT GAS SEP 2018 @ 208.00 SL 205.50 TGT 211.00-213.80.MCX
 BUY COPPER NOV 2018 @ 442.00 SL 438.50 TGT 445.80-448.50.MCX
 BUY ZINC SEP 2018 @ 171.00 SL 169.50 TGT 173.50-175.00.MCX
 BUY NICKEL SEP 2018 @ 885.00 SL 875.00 TGT 896.00-905.00.MCX
 BUY ALUMINIUM SEP 2018 @ 145.50 SL 144.00 TGT 147.50-149.00.MCX

DAY	TIME	ZONE	ECONOMICAL DATA	EXP	PREV
	1:30am	USD	TIC Long-Term Purchases	65.1B	-36.5B
	11:30am	EUR	German PPI m/m	0	0
	1:30pm	EUR	Current Account	22.4B	23.5B
	Tentative	EUR	German 10-y Bond Auction	0	0.33 1.2
	6:00pm	USD	Building Permits	1.31M	1.31M
	6:00pm	USD	Housing Starts	1.24M	1.17M
Wed	6:00pm	USD	Current Account	-103B	-124B
	6:30pm	EUR	ECB President Draghi Speaks	0	0
	8:00pm	USD	Crude Oil Inventories	-2.7M	-5.3M
	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 \$
93.90	1.17824	1.32712	112.685	2907.95	7950.04	27587	1208.64	14.37	70.32
0.00	0.06	0.00	0.18	0.13	-0.08	0.40	0.12	0.46	0.67



MCX Gold



MCX Gold 05 OCT 2018	
Open	30600
High	30670
Low	30562
Close	30599
% Cng	-0.09
OI	6937
Volume	3931
Resist 3	30766
Resist 2	30718
Resist 1	30658
Support 1	30550
Support 2	30502
Support 3	30442

Gold prices steadied as the dollar eased following news that China would retaliate against a new round of U.S. tariffs on its goods. China and the United States plunged deeper into a trade war after Beijing added \$60 billion of U.S. products to its import tariff list in retaliation for President Donald Trump's planned levies on \$200 billion worth of Chinese goods. Investors looked past the latest escalation in the U.S.-China trade conflict, seen by some market participants as less severe than expected. Previous developments in the U.S.-China trade conflict had prompted investors to buy the U.S. dollar in the belief that the United States has less to lose from the dispute. The U.S. Senate voted overwhelmingly on Tuesday to pass a mammoth spending package including \$675 billion for the Defense Department and a measure to keep the entire federal government open until Dec. 7, a step toward avoiding a Sept. 30 shutdown. Traders are increasing bets the Federal Reserve will raise U.S. short-term interest rates into 2019 as the jobs market tightens and with inflation seen climbing above its 2 percent goal. The Bank of Japan is expected to keep monetary policy steady on Wednesday and maintain its optimistic view on the economy, even as escalating global trade frictions threaten to chill growth. Prime Minister Theresa May said Britain and the European Union were nearing a divorce deal but called on the bloc to show "goodwill and determination" to avoid a disorderly Brexit and secure a close future partnership. Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, fell 0.04 percent to 742.23 tonnes on Tuesday. Technically now Gold is getting support at 30648 and below same could see a test of 30504 level, And resistance is now likely to be seen at 30932, a move above could see prices testing 31072.

MCX Silver



MCX Silver 05 DEC 2018	
Open	37252
High	37390
Low	37200
Close	37259
% Cng	-0.17
OI	27680
Volume	10623
Resist 3	37556
Resist 2	37473
Resist 1	37366
Support 1	37176
Support 2	37093
Support 3	36986

Silver prices traded in range as the dollar held its ground after the U.S. and China announced their latest round of measures in the escalating trade conflict. U.S. President Donald Trump said in a statement late Monday that the U.S. is slapping 10% tariffs on \$200 billion worth of Chinese goods and that the tariffs would rise to 25% in January 2019. China was quick to respond with its own round of tariffs on \$60 billion in American products, which are planned to go into effect simultaneously on Sept. 24. Trump had previously warned that "if China takes retaliatory action against our farmers or other industries, we will immediately pursue phase three, which is tariffs on approximately \$267 billion of additional imports," suggesting that tensions were on the rise. However, some commentators suggested that investors had been prepared for the higher level of 25% that now will be put off until January, providing some months for officials to advance on negotiations. Furthermore, China's tariffs set for implementation next week are also lower than initially planned, implying that Beijing too will hold off until the U.S. lifts the levies in January. In a slow week for major U.S. economic data, investors looked ahead to the next Federal Reserve policy decision to be announced on Sept. 26. Markets currently expect the Fed to hike rates by a quarter of a point, while fed fund futures price in an additional increase at the end of the year at more than an 80% probability. Technically now Silver is getting support at 37187 and below same could see a test of 36935 level, And resistance is now likely to be seen at 37675, a move above could see prices testing 37911.

MCX Crude Oil



MCX Crude Oil 19 OCT 2018	
Open	5084
High	5136
Low	5054
Close	5063
% Cng	-0.71
OI	13293
Volume	96313
Resist 3	5196
Resist 2	5166
Resist 1	5114
Support 1	5032
Support 2	5002
Support 3	4950

Crude oil gained after Saudi Arabia indicated it was comfortable with a higher price range ahead of a meeting between major producing countries in Algeria. Saudi Arabia said it was comfortable with Brent oil above \$80 a barrel. However, the market was tempered by an escalation in the China-U.S. trade war that has clouded the outlook for crude demand from the world's top oil consumers. OPEC Secretary General Mohammad Barkindo said that OPEC and non-OPEC countries aim to agree a framework for long-term cooperation by December, when the oil producers plan to meet in Vienna. "Our determination is to institutionalise this cooperation and to get the permanent framework hopefully by December," Barkindo told a news conference in Fujairah, in the UAE. The global oil supply reached a record 100 million barrels per day, the International Energy Agency said in its latest forecast. Crude output from the Organization of the Petroleum Exporting Countries and Russia, rose to a nine-month high in August, to 32.63 million bpd, due to a rebound in Libya production and increases from Iraq, Nigeria and Saudi Arabia, the IEA said. Non-OPEC supply was also up 2.6 million bpd, led by U.S. production. However ongoing Iranian and Venezuelan falls in production could risk market tightness, Paris-based agency said. Increased sanctions from the U.S. against Iran, which is a member of OPEC, has put pressure on the organization and could lead to market tightness. Technically now Crudeoil is getting support at 4972 and below same could see a test of 4889 level, And resistance is now likely to be seen at 5128, a move above could see prices testing 5201.

MCX Natural Gas



MCX Natural Gas 25 SEP 2018	
Open	209.5
High	214.8
Low	207.7
Close	214
% Cng	1.9
OI	6663
Volume	35271
Resist 3	224
Resist 2	219
Resist 1	217
Support 1	210
Support 2	205
Support 3	203

Naturalgas on MCX settled up 3.67% at 211.70 gained on fresh buying as investors continue to react to the recovery in the Carolinas in the aftermath of Hurricane Florence and forecasts for warmer temperatures which should lead to increased demand. The limited price action suggests short-covering is taking place as buyers attempt to absorb the huge discount that was posted ahead of the storm last Thursday and Friday. Meanwhile Tropical system Florence will bring areas of showers to the Northeast today, then exiting. In its wake, very warm high pressure will expand across much of the country the rest of the week with highs of 80s and 90s over the southern US and 70s and 80s over the northern US besides the cooler Northwest. Weak weather systems will impact the far northern US this weekend, while remaining warmer than normal over the rest of the US. Overall, demand will be a little stronger than normal due to 90s returning to most southern US states. The EIA recently reported that net injections are less than the five-year average. Net injections into storage totaled 69 Bcf for the week ending September 7, compared with the five-year average net injections of 74 Bcf and last year's net injections of 87 Bcf during the same week. Injections are expected to rise to 78 Bcf in the coming week according to Estimate. This would still keep injection below the lower end of the 5-year range. Technically market is under fresh buying as market has witnessed gain in open interest by 119.16% to settled at 7355 while prices up 7.5 rupees, now Naturalgas is getting support at 206.4 and below same could see a test of 201 level, And resistance is now likely to be seen at 214.7, a move above could see prices testing 217.6.



MCX Copper 30 NOV 2018	
Open	436.7
High	439.2
Low	434.8
Close	438.85
% Cng	0.29
OI	13265
Volume	24083
Resist 3	445
Resist 2	442
Resist 1	440
Support 1	436
Support 2	433
Support 3	432

Copper on MCX settled up 2.85% at 442 gained sharply on fresh buying tracking Shanghai and LME copper prices which rose hitting a one-month high as investors shrugged off an escalation of the U.S.-China trade row. China responded to the latest U.S. tariffs on \$200 billion of Chinese goods with tariffs on about \$60 billion worth of US goods, as previously planned, but has reduced the levy it will collect on the products. As per state media the China is not afraid of "extreme measures" the United States is taking in the trade war and will use it as an opportunity to replace imports, promote localisation and accelerate the development of high-tech products. The three-month copper price closed at \$6,086 per tonne on strong volume, with over 26,000 lots traded by the close – the most in a month. Fundamental indicators have improved since the start of the quarter. Exchange inventories (LME, SHFE, Comex) are down sharply in the quarter to date. The Shanghai copper premium is at its highest since February 2016, reflecting seasonally strong copper demand because of post-summer restocking. Last night the US dollar index rebounded as it recovered from earlier weakness that came after China responded with new tariffs on \$60 billion worth of US goods. Now today a day ahead market participants should monitor data including the US current account for the second quarter and its EIA weekly crude oil inventory. Technically market is under fresh buying as market has witnessed gain in open interest by 35.57% to settled at 18181 while prices up 12.25 rupees, now Copper is getting support at 431.7 and below same could see a test of 421.3 level, And resistance is now likely to be seen at 448.2, a move above could see prices testing 454.3.



MCX Nickel 28 SEP 2018	
Open	900
High	908.5
Low	897.4
Close	906.9
% Cng	1.07
OI	10739
Volume	19451
Resist 3	922.3
Resist 2	915.4
Resist 1	911.2
Support 1	900.1
Support 2	893.2
Support 3	889.0

Nickel on MCX settled up 1.03% at 898.10 gained on short covering while the base metals complex shrugged off the escalating US-China trade dispute. Now investors reduced concerns over the China-US trade war. Fresh US tariffs imposed on Chinese goods are expected to cause limited impact on the downstream stainless steel sector as China barely exports such products to the US. China responded to the latest U.S. tariffs on \$200 billion of Chinese goods with tariffs on about \$60 billion worth of US goods, as previously planned, but has reduced the levy it will collect on the products. As per state media the China is not afraid of "extreme measures" the United States is taking in the trade war and will use it as an opportunity to replace imports, promote localisation and accelerate the development of high-tech products. The dollar meanwhile hit its weakest since late July against a basket of major peers, supporting dollar-priced metals by making them cheaper for buyers with other currencies. China's yuan was steady against the greenback. Last night the US dollar index rebounded as it recovered from earlier weakness that came after China responded with new tariffs on \$60 billion worth of US goods. Meanwhile, US Treasury yields were also on the rise, to their highest since May for the 10-year bond. Base metals increased for the most part. LME copper led the gains and surged 2.36%, zinc rose 1.8%, nickel jumped 0.69%, SHFE copper grew 1.91%, zinc went up 0.44%, and nickel closed 0.16% higher. The US NAHB homebuilder sentiment indicates signs of stabilizing in September. Technically market is under short covering and getting support at 889.9 and below same could see a test of 881.8 level, And resistance is now likely to be seen at 905.3, a move above could see prices testing 912.6.



MCX Zinc 28 SEP 2018	
Open	175.00
High	176.90
Low	174.85
Close	176.75
% Cng	1.38
OI	4776
Volume	17604
Resist 3	179.7
Resist 2	178.3
Resist 1	177.6
Support 1	175.5
Support 2	174.1
Support 3	173.4

Zinc on MCX settled up 2.02% at 171.85 gained on short covering as Zinc supply crunch hides in shadow of trade war. Also support seen as investors shrugged off new tit-for-tat tariffs by China and the United States to send stock markets higher and the dollar lower. Fears that a U.S.-China trade war would dampen demand for commodities have pushed industrial metals sharply lower in recent months, with copper down 17 percent from a June high. Meanwhile LME Zinc prices has so far been the hardest hit of all the base metals in 2018, with its value down over 32 percent year-to-date, even as global stockpiles in London fall towards the 200,000-tonne mark. As of Monday (September 17), zinc was trading at US\$2,285 a tonne — well down from its starting point in 2018 when it sat at the (comparatively) lofty height of US\$3,375. Yesterday LME zinc closed up 1.3 percent at \$2,349 a tonne, rebounding from Monday's near 2-year low but butting up against its downtrend line at around \$2,380. Support seen as the global zinc market deficit deepened to 32,500 tonnes in July from 14,200 tonnes in June, data from the ILZSG showed. Last night the US dollar index rebounded as it recovered from earlier weakness that came after China responded with new tariffs on \$60 billion worth of US goods. Now today a day ahead market participants should monitor data including the US current account for the second quarter and its EIA weekly crude oil inventory. Technically now Zinc is getting support at 169.9 and below same could see a test of 167.8 level, And resistance is now likely to be seen at 173.1, a move above could see prices testing 174.2.



MCX Aluminium 28 SEP 2018	
Open	145.25
High	146.35
Low	145.00
Close	145.80
% Cng	0.97
OI	3453
Volume	6383
Resist 3	147.7
Resist 2	147.0
Resist 1	146.4
Support 1	145.1
Support 2	144.4
Support 3	143.8

Aluminium on MCX settled down -0.24% at 145.80 on long liquidation despite LME aluminium finished up 0.2 percent at \$2,035 a tonne after the United States imposed new tariffs on about \$200 billion of Chinese imports as President Donald Trump escalates his trade war with Beijing. Trump warned that if China takes retaliatory action against U.S. farmers or industries, "we will immediately pursue phase three, which is tariffs on approximately \$267 billion of additional imports." The United States has thrown Russian aluminium company Rusal a lifeline by loosening sanctions imposed on the company in April. Critically, the U.S. Treasury has tweaked its sanctions to allow Rusal to enter into new contracts with existing customers. This is good news for the Russian company, which has been shunned by buyers negotiating 2019 shipments. It's also good news for the aluminium market, which was facing the prospect of 3.7 million tonnes of Rusal product being locked out of the supply chain. However, the broader sanctions threat against Rusal, a by-product of the sanctions against its oligarch owner Oleg Deripaska, remains. An Oct. 23 deadline for customers to wind down business with the company still stands, leaving any new contracts still beholden to the same underlying uncertainty about when sanctions will be fully lifted. And even if sanctions are eventually removed, political risk is not going to disappear any time soon from the aluminium market. Relations between the United States and Russia, the world's second largest producer of the metal, remain strained, to say the least. Technically now Aluminium is getting support at 144.8 and below same could see a test of 143.8 level, And resistance is now likely to be seen at 147.4, a move above could see prices testing 149.

Spread View	
Commodity	Spread
MCX GOLD OCT-DEC	237.00
MCX SILVER DEC-MAR	795.00
MCX CRUDEOIL OCT-NOV	1.00
MCX NATURALGAS SEP-OCT	-0.10
MCX ZINC SEP-OCT	1.45
MCX NICKEL SEP-OCT	-0.10
MCX LEAD SEP-OCT	1.25
MCX ALUMINIUM SEP-OCT	1.60

Ratio Trading	
Commodity	Ratio
Gold Silver ratio	82.13
Gold Crude ratio	6.04
Gold Copper ratio	69.73
Silver Crude ratio	7.36
Silver Copper ratio	84.90
Crude Natural Gas ratio	23.66
Zinc Lead ratio	122.83

LME Stock (Tons)		
Commodity	Change	Stock
Copper	-2600	215000
Nickel	30	232098
Zinc	-1850	211800
Aluminium	-4425	1030200
Lead	-450	117175

News you can Use

China's aluminium producers cut output by 3 percent in August from the month before, data showed, as high raw material costs squeeze their profit margins. China, the world's biggest aluminium producer, churned out 2.84 million tonnes of the metal last month, according to the National Bureau of Statistics (NBS). That was down from 2.93 million tonnes in July, which matched the all-time monthly high, but was up 7.8 percent from a year earlier, the NBS said. On a daily basis, China produced around 91,600 tonnes of primary aluminium last month, the lowest since May, according to Reuters calculations based on the data. Aluminium prices on the Shanghai Futures Exchange climbed 2.1 percent over August, but spot prices for alumina, the substance used to make the metal, rose by 10.8 percent in the key eastern China region over the same period, pressuring smelters. The global alumina market has been tight this year due to an outage at Norsk Hydro's Alunorte plant in Brazil, U.S. sanctions on Russian producer Rusal and a strike at Alcoa's alumina refineries in Western Australia. Chinese alumina producers have taken advantage of skyrocketing international alumina prices to make rare big-volume exports of the material, which has reduced availability domestically. Over the first eight months of 2018, China produced 22.21 million tonnes of aluminium, up 3.5 percent year-on-year, the NBS data showed. Output of a group of 10 nonferrous metals – including copper, aluminium, lead, zinc and nickel – rose 5.7 percent year-on-year to 4.54 million tonnes, but was down 1.8 percent from 4.62 million tonnes in July.

China's crude oil output rose in August for the first time in nearly three years, data showed, climbing after President Xi Jinping called for a boost to national energy security amid trade tensions with the United States. Monthly crude oil output hit 16 million tonnes, or 3.77 million bpd, up 0.2 percent from August last year and marking the first year-on-year increase in tonnes and barrels per day (bpd) since October 2015, according to the data from National Bureau of Statistics (NBS). Year-to-date output was 125.95 million tonnes, down 1.8 percent from a year earlier. That equates to 3.78 million bpd. The data also showed China's crude processing rate fell in August to its lowest since December, with independent refiners prolonging maintenance shutdowns as higher oil prices and a new tax regime ate into margins. China refined 50.31 million tonnes of crude oil in August, or 11.85 million barrels per day (bpd), up 5.6 from a year ago. The pace of processing fell from 11.95 million bpd in July and compared with a record-high of 12.13 million bpd in March. For the first eight months, crude runs were up 8.7 percent at 400.41 million tonnes, or 12.03 million bpd. Meanwhile, China's natural gas production rose 9.7 percent in August over the same year-ago level to 12.9 billion cubic metres (bcm). That was down from 12.96 bcm in July. Output for the year-to-date was 104 bcm, up 5.9 percent as producers gear up for peak-demand over winter, with the country continuing its drive to switch households and businesses to gas for heating.

Britain's property market would crash and mortgage rates would spiral in the event of a chaotic no-deal Brexit, with house prices falling 35 percent over three years, Bank of England Governor Mark Carney told ministers, The Times reported. Recent signals from Brussels have buoyed hopes that Britain and EU authorities can agree and approve a proper deal before it leaves on March 29, though the sides are still divided on about one fifth of the detail of a deal. But many business chiefs and investors fear politics could get in the way, thrusting the world's fifth largest economy into a "no-deal" divorce they say would weaken the West, spook financial markets and clog up the arteries of trade. As Prime Minister Theresa May tries to clinch a deal with Brussels, she is facing rebels in her Conservative Party who say they will vote down any agreement that fails to deliver a sharp break with the EU. In a stark warning to the British cabinet, Carney told ministers including May that the impact of a no-deal Brexit could be as catastrophic as the 2008 financial crisis, according to The Guardian newspaper. Carney, whose term of office was this week extended until January 2020 to help smooth the post-Brexit transition, told ministers a chaotic departure would lead to a plunge in sterling that would drive up inflation and interest rates, The Times reported.

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