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METAL & AGRO BUZZ

Friday, 1 February 2019

News, Views & Statistics

OPEC oil output drops on Saudi cut, outages and sanctions

OPEC oil supply has fallen in January by the largest amount in two years, a Reuters survey found, as Saudi Arabia and its Gulf allies over-delivered on the group's supply-cutting pact while Iran, Libya and Venezuela registered involuntary declines. The 14-member Organization of the Petroleum Exporting Countries has pumped 30.98 million barrels per day (bpd) this month, the survey showed on Thursday, down 890,000 bpd from December and the largest month-on-month drop since January 2017. The survey suggests OPEC is almost three quarters of the way in delivering supply cuts that started on Jan. 1 in an effort to avert a glut, even though the group's second-largest producer Iraq and some smaller members pumped above agreed levels. An OPEC official said he hoped more members would deliver on their pledges and that the drop in supply so far was acceptable, calling it a "good start". Crude oil has risen to $62 a barrel after a dip below $50 in December, boosted by the Saudi cuts, a host of involuntary curbs in other OPEC countries and the prospect of lower supply from Venezuela after U.S. President Donald Trump this week imposed sanctions on its oil industry. OPEC, Russia and other non-members - an alliance known as OPEC+ - agreed in December to reduce supply by 1.2 million bpd from Jan. 1. OPEC's share of the cut is 800,000 bpd, to be delivered by 11 members - all except Iran, Libya and Venezuela. In January the 11 OPEC members bound by the supply-limiting agreement achieved 70 percent of the pledged cuts, the survey found. Further declines in Iran, Libya and Venezuela boosted the total OPEC decline to 890,000 bpd. The latest OPEC+ deal came months after they had agreed to pump more oil, which in turn partially unwound their original supply-limiting accord that took effect in 2017. The biggest drop in supply came from Saudi Arabia, OPEC's biggest oil producer, which pumped 350,000 bpd less than in December, the survey showed.

Soybean futures trade tad higher on improving demand

Soybean futures traded marginally higher on NCDEX, as speculators enlarged their holdings due to improving physical demand tracking higher exports of soybean meal. Further, restricted arrivals from the major producing belts too added support to soybean prices. However, expectations of higher production from the major producing belts, capped some gains. The contract for February delivery was trading at Rs 3864.00, up by 0.16% or Rs 6.00 from its previous closing of Rs 3858.00. The open interest of the contract stood at 114100 lots. The contract for March delivery was trading at Rs 3907.00, up by 0.08% or Rs 3.00 from its previous closing of Rs 3904.00. The open interest of the contract stood at 138760 lots on NCDEX.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	40436	39555	39996	40342	40783	41129	Up
GOLD	33044	32733	32889	33080	33236	33427	Up
CRUDE OIL	3897	3804	3851	3894	3941	3984	Up
COPPER	436.90	433.00	435.00	437.40	439.40	441.80	Down
NATURAL GAS	201.00	193.50	197.30	202.90	206.70	212.30	Down
JEERA	15990	15755	15875	15980	16100	16205	Down
TURMERIC	6420	6306	6364	6392	6450	6480	Down
SOYBEAN	3822	3775	3799	3839	3863	3903	Up
RM SEED	3990	3951	3970	3995	4014	4039	Up
GUAR SEED	4350	4300	4325	4340	4365	4379	Up

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	$1320.98	+0.10
LONDON SPOT SILVER	$16.04	-0.06
NYMEX CRUDE OIL	$54.77	+0.98
NYMEX NATURAL GAS	$2.819	-1.78

Economic Data

Data	Previous	Forecast	Time
Non-Farm payroll	312K	165K	7:00pm
Jobless rate	3.9%	3.9%	-
ISM Mfg. PMI	54.1	54.1	8:30pm

RECOMMENDATIONS

NICKEL

NICKEL FEB: TRADING RANGE 878.50 – 905.00.

Wait for our intraday trading strategy.

COCUD

COCUD FEB: SELL AT 2050-2052 TP-2019/1990 SL ABOVE 2074.

COCUD is forming a bearish reversal candlestick pattern on daily chart after yesterday's sell off from contract high. Sell on rise for intraday.

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