

Tuesday, 2 April 2019

**News, Views & Statistics**

**Oil Rises Nearly 2%, Extending Q1 Run on OPEC Cuts, China Demand**

Pumped up from its phenomenal 33% gain in the first quarter, oil tacked on almost 2% more in Monday's session as oil bulls lurched headlong into April's trade amid data suggesting deeper production cuts by OPEC and stronger-than-expected Chinese demand for energy. New York-traded West Texas Intermediate crude was up \$1.07, or 1.8%, at \$61.21 per barrel by 12:00 PM ET (15:30 GMT). It hit a 2019 high of \$61.24 earlier. For the Jan. 1 to March 31 periods, WTI rose 33%. The last time it gained more for a quarter was during Q2 2009, when it rose about 40%. London-traded Brent crude, the global oil benchmark, was up \$1.20, or 1.8%, at \$68.78 per barrel. It rose 26% for the first quarter, also its best gain in 10 years. "Oil prices are heating up ahead of the summer driving season as global demand expectations for oil are rising while global oil production is falling," said Phil Flynn, senior energy analyst at The Price Futures Group in Chicago. "Just when you thought it was safe to go to the gas pump, we get a report that China's stimulus is starting to kick in, as U.S. weekly oil production numbers get downgraded and the U.S. rig count falls," Flynn said. "The possibility of a supply squeeze is rising, and so is the price of oil." After three straight months of contraction, manufacturing activity in China expanded more than expected in March, easing concern over a slowdown in the world's second-largest economy, data showed. China's Caixin manufacturing purchasing managers' index rose to 50.8 from 49.9, above the 50-mark that separates expansion from contraction and its strongest level since last August.

**India Sugar output seen at 30.7 MT in 2019: report**

Rating agency ICRA has revised downwards its sugar production target for 2019 to 30.7 million tons from its earlier estimate of 31.5 million tons due to a decline in Uttar Pradesh, the largest growing State. The agency, however, said even at this level, sugar supply will be higher than demand. ICRA said production may be further hit due to the diversion of 'B' heavy molasses and sugarcane juice away from sugar into ethanol. The agency said a downward revision in sugar production estimate along with a series of government support measures - both by the Centre and the States - from May 2018 have provided some relief to sugar mills hit by supply glut. However, the agency expects sugar production to be higher than consumption. "We expect sugar production to continue to outstrip consumption by around 4.5-5 million ton in spite of expected diversion of sugarcane to ethanol manufacture and lower production estimates, resulting in continued supply pressures," the report said. But ICRA added that the Centre hiking the minimum support price for sugar, and States offering cane subsidies/soft loans to the manufacturers of ethanol from cane juice and B-heavy molasses are likely to provide some respite to mills in the near term.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	37600	37329	37465	37650	37786	37971	Up
GOLD	31525	31402	31463	31587	31648	31772	Reversal
CRUDE OIL	4278	4163	4220	4251	4308	4339	Up
COPPER	448.90	442.60	445.70	450.50	453.60	458.40	Down
NATURAL GAS	189.20	183.70	186.40	188.40	191.10	193.10	Up
JEERA	15635	15460	15550	15700	15790	15940	Up
TURMERIC	6270	6010	6140	6232	6362	6454	Down
SOYBEAN	3769	3667	3718	3744	3795	3821	Up
RM SEED	3777	3752	3764	3778	3790	3804	Down
GUAR SEED	4384	4337	4361	4386	4409	4434	Down

### International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1288.88	-0.24
LONDON SPOT SILVER	\$15.11	-0.13
NYMEX CRUDE OIL	\$61.70	2.46
NYMEX NATURAL GAS	\$2.701	1.35

### Economic Data

Data	Previous	Forecast	Time
Core Durable	-0.2%	0.3%	6:00pm

### RECOMMENDATIONS

#### CRUDE OIL

**CRUDE OIL APR: BUY AT 4252-4250 TP-4307/4343 SL BELOW 4217.**



Crude oil is forming a bullish continuation chart pattern after a strong breakout of the consolidation phase. Buy on dips.

## CHANA

**CHANA APR: BUY AT 4460-4458 TP-4525/4579 SL BELOW 4415.**

CHANA BIKANER 1904(NCCHAJ9)2019/03/31 - Weekly B:4489.00 A:4493.00  
O 4345.00 H 4503.00 L 4345.00 C 4487.00 V 38,570 I0 +142 +3.27%



Chana continued its bullish run on trading bourses amid news of a possible shortage in supply. The pulse ended the day in yet another bullish candlestick.

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**Contact**

SMS: 'Arihant' to 56677

**Website**[www.arihantcapital.com](http://www.arihantcapital.com)**Email Id**[research@arihantcapital.com](mailto:research@arihantcapital.com)**ARIHANT Capital Markets Ltd**Commodity/Currency Research Desk: 6, Lad Colony, Y.N. Road Indore-3  
T: 0731-4217191. Fax: 0731-4217103Corporate Office: 1011, Solitaire Corporate Park, Building No.10, 1st Floor,  
Andheri Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400093  
D. +91.22.42254800 and 67114800  
[www.arihantcapital.com](http://www.arihantcapital.com)

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