

Thursday, 02 August 2018

News, Views & Statistics

WTI Oil Futures Pare Losses After Inventory Data

West Texas Intermediate oil pared losses in North American trade on Wednesday, after data showed that while oil supplies in the U.S. registered a surprise inventory build, it was smaller than the increase seen in data from the American Petroleum Institute a day earlier. In other bullish signals, supplies decreased at the U.S. key delivery point, suggesting higher demand, and gasoline stockpiles fell almost twice as much as expected. Crude oil for September delivery on the New York Mercantile Exchange lost \$1.06, or 1.54%, to trade at \$67.70 a barrel by 10:33 AM ET (15:33 GMT) compared to \$67.55 ahead of the report. The U.S. Energy Information Administration said in its weekly report that crude oil inventories rose by 3.803 million barrels in the week ended July 27. Market analysts' had expected a crude-stock draw of 2.794 million barrels, although the American Petroleum Institute late Tuesday reported a supply increase of 5.590 million barrels. Supplies at Cushing, Oklahoma, the key delivery point for Nymex crude, decreased by 1.338 million barrels last week, the EIA said. Total U.S. crude oil inventories stood at 408.7 million barrels as of last week, according to press release, which the EIA indicated was "about 3% above the five year average for this time of year". The report also showed that gasoline inventories decreased by 2.536 million barrels, compared to expectations for a decline of 1.288 million barrels, while distillate stockpiles rose 2.983 million barrels, compared to forecasts for a gain of 0.264 million. Elsewhere, on the ICE Futures Exchange in London, Brent oil for October delivery traded down \$1.33, or 1.79%, to \$72.88 by 10:38 AM ET (15:38 GMT), compared to \$72.87 before the release.

Edible Oil imports continue regardless of duty hike

India's bid to protect farmers' income by increasing the import duty on Edible Oils is turning out to be counter-productive. Edible Oil traders and bulk buyers in the country have spotted a duty-free route through SAARC nations to import cheap Edible Oils. After the Centre hiked the import duty on Edible Oil in March, imports turned costlier, resulting in a drop in inbound shipments of vegetable oils in June. However, in search for cheap imports, the traders have spotted a policy loop-hole, wherein imports of Edible Oils are duty free for signatories of the South Asian Free Trade Area (SAFTA) agreement, which are mainly the SAARC nations. Under the SAFTA agreement, India, however, allows a duty-free import of goods from signatory countries on two grounds, either the commodity is native to the country or it has 30 per cent value addition. Taking advantage of these provisions, countries such as Bangladesh and Sri Lanka are gearing up their refineries to supply oils under SAFTA.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	37970	37690	37830	38040	38180	38390	Down
GOLD	29684	29501	29593	29743	29835	29985	Down
CRUDE OIL	4633	4551	4592	4651	4692	4751	Down
COPPER	414.75	404.70	409.70	419.50	424.50	434.30	Down
NATURAL GAS	189.90	187.20	188.50	190.40	191.70	193.60	Up
JEERA	20045	19748	19890	20070	20220	20390	Up
TURMERIC	7210	7106	7158	7246	7300	7386	Sideways
SOYBEAN	3411	3347	3379	3407	3439	3467	Up
RM SEED	4120	4063	4092	4135	4164	4207	Up
GUAR SEED	4444	4355	4399	4457	4501	4559	Up

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1218.72	-0.39
LONDON SPOT SILVER	\$15.43	-0.32
NYMEX CRUDE OIL	\$67.62	-1.17
NYMEX NATURAL GAS	\$2.756	-0.76

Economic Data

Data	Previous	Forecast	Time
Jobless Claims	217K	220K	6:00pm
NG inv.	+24B	+39B	8:00pm

RECOMMENDATIONS

CRUDE OIL

CRUDE OIL AUG: SELL AT 4660-4665 TP-4607/4561 SL ABOVE 4701.



Crude oil succumbed to pressure from bears and declined on the third consecutive day. The sell-off is likely to continue today as well.

SOYBEAN

SOYBEAN OCT: BUY ABOVE 3420 TP-3469/3507 SL BELOW 3385.



Soybean outperformed other oilseeds yesterday during intraday trading and reclaimed levels above 3400. The mild sell off seen in last hour may be due to cautious trading. Buy on resistance breakout

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