

Thursday, 3 January 2019

**News, Views & Statistics**
**Oil posts first year of losses since 2015**

Oil prices dropped on Wednesday as weak data out of China stoked concerns over the global slowdown and waning demand, even as U.S. production hit record highs. New York-traded West Texas Intermediate crude futures fell 44 cents, or 0.97%, at \$44.97 a barrel by 9:59 AM ET (14:59 GMT). Meanwhile, Brent crude futures, the benchmark for oil prices outside the U.S., traded down 25 cents, or 0.46%, to \$53.55. While purchasing managers' indexes across Asia revealed a widespread manufacturing slowdown in the final month of 2018, Chinese data showed the first contraction in factory activity in 19 months. China is the world's largest importer of oil and the news added to concerns that a global economic slowdown could crimp demand for crude, already under pressure last year as surging production, particularly in the U.S., added to a global supply glut. Independent market analyst Greg McKenna said in a note on Wednesday that it was "difficult for traders and investors to ignore what looks like a genuine global economic slowdown." WTI was down 25% in 2018, its first losing year since 2015. It also was down 41% from the four-year highs of nearly \$77 a barrel hit in early October. Brent lost 20% in 2018 and was off 39% from four-year highs of nearly \$87 a barrel hit in early October. "The omens are far from encouraging,". "The current bearish bias will therefore continue in the near term and it stands to reason that oil will struggle to break out from its current trough," he said. In other energy trading, gasoline futures slumped 0.88% to \$1.3015 a gallon by 10:01 AM ET (15:01 GMT), while heating oil dropped 0.06% to \$1.6784 a gallon. Lastly, natural gas futures traded down 0.14% to \$2.936 per million British thermal units.

**India needs to improve Cotton yield: CAI**

India needs to improve its cotton productivity drastically if it is to remain net cotton exporter, according to the CAI. India's cotton yield is not increasing during the last few years. As against the world average over 770 kg per hectare, productivity of cotton in India is low at only about 500 kg per hectare. CAI estimates India's cotton output at 340 lakh bales in 2018-19 as compared to 365 lakh bales in 2017-18. "There is hardly any scope for further increase in the acreage under cotton in India and therefore, the only way to match the increasing consumption of cotton domestically is to increase productivity," CAI said. "If the situation is not improved quickly, the day is not far off when the consumption of cotton in India will surpass production, and India, which is today a net cotton exporter country, will become a net cotton importer country," CAI noted. Cotton is an important cash crop in India which provides employment to over 60 million farmers and other connected with the production, processing and marketing of cotton in India.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	39087	38354	38720	38968	39334	39582	Up
GOLD	31625	31231	31428	31566	31763	31901	Up
CRUDE OIL	3322	3019	3171	3265	3417	3511	Reversal
COPPER	406.45	400.00	403.20	407.90	411.10	415.80	Down
NATURAL GAS	208.00	199.90	204.00	208.70	212.80	217.50	Down
JEERA	17475	17185	17330	17550	17695	17915	Down
TURMERIC	6666	6520	6594	6708	6782	6896	Down
SOYBEAN	3469	3410	3440	3457	3487	3504	Up
RM SEED	3941	3905	3923	3941	3959	3977	Up
GUAR SEED	4279.5	4238	4259	4293	4314	4349	Down

### International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1284.67	+0.18
LONDON SPOT SILVER	\$15.55	+0.45
NYMEX CRUDE OIL	\$47.29	+3.21
NYMEX NATURAL GAS	\$2.970	+0.13

### Economic Data

Data	Previous	Forecast	Time
ADP Non-Farm	179K	179K	6:45pm
ISM Mfg. PMI	59.3	57.7	8:30pm

### RECOMMENDATIONS

#### ZINC

ZINC JAN: TRADING RANGE 165.50 – 171.30.



Wait for our intraday trading strategy.

# SOYBEAN

**SOYBEAN FEB: BUY ABOVE 3520 TP-3569/3610 SL BELOW 3485.**



Bulls are trying hard to maintain the recently acquired little edge in soybean. However, the bullish momentum will find its life once a decisive close takes place.

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