

Friday, 03 May 2019

**News, Views & Statistics**

**Oil Prices Pressured Lower amid Record U.S. Output Surge**

Oil prices were weighed down on Thursday after data showing that U.S. output rose to a record, leading to a surge in inventory levels only matched once in the last two years. U.S. crude prices were down 1.4% to trade at \$62.7 by 08:04 AM ET (12:04 GMT), off 87 cents from their previous settlement. London traded Brent crude futures shed 1.3% to \$71.22, down 96 cents from their last close. Crude stockpiles rose by 9.9 million barrels last week, hitting the highest level since Sept. 2017, the U.S. Energy Information Administration said in its weekly report on Wednesday. The increase came as production hit a record high of 12.3 million barrels per day. "It was quite a surprise to have a nine times bigger build in crude than expected, along with a build in gasoline where a draw was expected," said Tariq Zahir, managing member at the oil-focused New York fund Tyche Capital Advisors. "These numbers should continue to put pressure on crude prices in the short term." John Kilduff, founding partner at New York energy hedge fund Again Capital, agreed. "The small rise in gasoline inventories was also a bearish factor, as the increase came in the face of continued strong, summer-like demand and a slight decline in refinery utilization rates," Kilduff said. Oil prices continued to be underpinned by the political crisis in Venezuela, tighter U.S. sanctions against Iran that allow no more exemptions from May and as the Organization of the Petroleum Exporting Countries continued with supply cuts. Oman's energy minister Mohammed bin Hamad al-Rumhy said on Wednesday it was OPEC's goal to extend the production cuts, which started in January, when the group and its allies next meet in June. Despite the desire of many OPEC members to continue supply cuts, the group may eventually be forced into action to meet demand in a market that has seen prices rise more than 30% this year.

**India's Cotton imports may rise 80% this year: CAI**

India's cotton imports are likely to rise by 80% this crop year (October 2018 to September 2019) to 2.7 million bales (one bale equals 170 kg) as compared to 1.5 million the previous year, according to latest data compiled by apex industry body, Cotton Association of India (CAI). "The major reason is unavailability of the fibre with farmers and stockiest. Drought in the major growing states of Maharashtra, Telangana, Gujarat and Andhra Pradesh last year has resulted in lower output this year. Over and above, the quality of late picked crop is poor due to the paucity of moisture in the field. This poor quality cotton cannot be used for spinning mills," the association said in a statement. CAI has reduced the cotton crop production estimate for 2018-19 to 32.1 million bales, which is lower by 0.7 million bales than its previous estimate of 32.8 million bales made during last month.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	36695	36322	36508	36807	36993	37292	Down
GOLD	31337	30992	31164	31423	31595	31854	Down
CRUDE OIL	4276	4131	4203	4315	4387	4499	Up
COPPER	430.70	424.30	427.50	431.50	434.70	438.70	Down
NATURAL GAS	180.30	176.40	178.30	180.80	182.70	185.20	Up
JEERA	16890	16750	16820	16905	16975	17060	Up
TURMERIC	6458	6302	6380	6440	6518	6578	Up
SOYBEAN	3621	3574	3597	3636	3659	3698	Up
RM SEED	3718	3697	3707	3727	3737	3757	Down
GUAR SEED	4388	4309	4349	4374	4414	4439	Down

### International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1270.04	-0.33
LONDON SPOT SILVER	\$14.59	-0.68
NYMEX CRUDE OIL	\$61.46	-3.12
NYMEX NATURAL GAS	\$2.602	-1.03

### Economic Data

Data	Previous	Forecast	Time
Non-Farm payroll	196K	181K	6:00pm
Jobless Rate	3.8%	3.8%	-
ISM Non-Mfg PMI	56.1	57.2	7:30pm

### RECOMMENDATIONS

#### CRUDE OIL

**CRUDE OIL MAY: SELL AT 4312-4315 TP-4257 SL ABOVE 4355.**

CRUDEOIL 1905(MXCROK9)2019/05/02 - Daily B:4276.00 A:4277.00  
O 4420.00 H 4426.00 L 4242.00 C 4276.00 V 221,596 T 95,908,672 I 17,854 -146 -3.30%



Crude oil broke below the bearish insider candlestick pattern yesterday and completed the bearish structure's breakdown stage. Sell on intraday rise.

# CASTOR

**CASTOR JUNE: BUY AT 5630-5626 TP-5750 SL BELOW 5550.**

CASTOR SEED NEW 1905(NCCTNK9)2019/05/02 - Daily B:5674.00 A:5678.00  
O 5522.00 H 5678.00 L 5512.00 C 5676.00 V 54,955 I 72,470 +154 +2.79%



Castor built up on crucial weekly support yesterday as bulls successfully dominated bears after a few days of correction. Buy on small dips.

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