

Tuesday, 04 June 2019

News, Views & Statistics
Gold Prices Rises on Safe-Haven Demand as Trade Tensions Escalate Further

Gold prices rose on Monday as escalating trade tension spurred risk aversion, boosting demand for safe-haven assets. At 9:44 AM ET (13:44 GMT), gold futures for August delivery on the Comex division of the NYMEX gained \$8.65, or 0.7%, to \$1,319.75 a troy ounce. Prices rose as China showed increased unwillingness to back down from Washington's pressure in the trade dispute. In a white paper on trade, Beijing accused the U.S. of "intimidation and coercion" and called U.S. demands as "exorbitant". China also showed its muscle, implementing previously announced retaliatory tariff hikes and said it will take action against "unreliable" foreign companies, with a list of violators pending. At the same time it opened an investigation into FedEx after Huawei said it diverted to the United States two packages intended for the company's offices in China. With U.S. President Donald Trump's plans to place tariffs on all imports from Mexico to the U.S. underway, a senior Mexican delegation was set to begin high level talks on Monday in Washington. The Trump administration announced on Thursday it will impose a 5% tariff on all imported goods from Mexico beginning June 10 and "gradually increase" that tax to 25% until the flow of undocumented migrants across the border stops. Banks on Wall Street have come out in force, warning that increasing tariffs ran the risk of leading to a global recession. Gold tends to act as the safe haven of choice in times of political and economic troubles.

CAI retains its cotton crop estimates at 315 lakh bales for 2018-19

So far over 9 lakh bales of import shipments have arrived in India CAI on Monday released its latest cotton crop estimate for the month of May retaining the crop size at 315 lakh bales (each of 170 kg), lowest in over a decade and significantly down from the previous year's output estimate of 365 lakh bales. The total cotton supply estimated by the CAI during the period from October 2018 to May 2019 is 325 lakh bales including the arrival of 288 lakh bales and imports of 9 lakh bales upto May 31, 2019. The opening stock at the beginning of the season as on October 1, 2018 was estimated at 28 lakh bales. Considering the crop size of 315 lakh bales there is likely be a sharp demand-supply gap for the millers. As a result, India's cotton imports are likely to more than double to about 31 lakh bales for the season, up from about 15 lakh bales in the last season. The domestic consumption for the entire crop year upto September 30, 2019 is estimated at 315 lakh bales, and CAI estimates cotton exports to be around 46 lakh bales, down by about 23 lakh bales as compared to previous year's estimate of 69 lakh bales. Total supply including carry-over stock, imports and total crop during the season is estimated at 374 lakh bales, against which total consumption by mills and exporters is estimated at 361 lakh bales leaving the likely carry over stock for the season at 13 lakh bales.

| COMMODITY | CLOSE | S2 | S1 | PIVOT | R1 | R2 | TREND |
|-------------|--------|--------|--------|--------|--------|--------|----------|
| SILVER | 36700 | 36259 | 36479 | 36621 | 36841 | 36983 | Up |
| GOLD | 32389 | 32079 | 32234 | 32317 | 32472 | 32555 | Up |
| CRUDE OIL | 3709 | 3604 | 3657 | 3722 | 3775 | 3840 | Down |
| COPPER | 406.70 | 402.00 | 404.40 | 406.00 | 408.30 | 409.90 | Down |
| NATURAL GAS | 166.10 | 160.80 | 163.40 | 168.20 | 170.80 | 175.60 | Down |
| JEERA | 17550 | 17325 | 17440 | 17505 | 17620 | 17685 | Up |
| TURMERIC | 6920 | 6836 | 6878 | 6920 | 6962 | 7004 | Up |
| SOYBEAN | 3634 | 3581 | 3608 | 3653 | 3680 | 3725 | Down |
| RM SEED | 3902 | 3855 | 3879 | 3918 | 3942 | 3981 | Sideways |
| GUAR SEED | 4248.5 | 4204 | 4226 | 4257 | 4280 | 4311 | Down |

International Markets

| COMMODITY | CLOSE | % CHANGE |
|--------------------|-----------|----------|
| LONDON SPOT GOLD | \$1323.80 | +0.92 |
| LONDON SPOT SILVER | \$14.76 | +0.89 |
| NYMEX CRUDE OIL | \$53.69 | +1.32 |
| NYMEX NATURAL GAS | \$2.406 | -3.22 |

Economic Data

| Data | Previous | Forecast | Time |
|------------------|----------|----------|------|
| No major release | - | - | - |

RECOMMENDATIONS

GOLD

GOLD AUG: BUY AT 32330-32325 TP-32441 SL BELOW 32250.

GOLD 1st(MXGLDC1)2019/06/03 - Daily B:32425.00 A:32431.00
O 32207.00 H 32442.00 L 32167.00 C 32425.00 V 10,557 T 34,156,186 I 15,731 +327 +1.02%



Gold continued to trade in bullish territory as possibility of trade war getting intensified escalated. Prices in India also rallied despite a strong INR.

CASTOR

CASTOR JUNE: SELL AT 5598-5600 TP-5500/5420 SL ABOVE 5670.

CASTOR SEED NEW 1st(NCCTNC1)2019/06/03 - Daily B:5574.00 A:5578.00
O 5650.00 H 5708.00 L 5564.00 C 5574.00 V 30,620 I 122,015 -128 -2.24%



Castor ended the day in yet another negative candlestick as support breakdown triggered sell-off in the final hour of the trading session. Sell on rise.

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