

Tuesday, 5 February 2019

News, Views & Statistics

Gold Prices Pull Further Back From 9-Month Highs

Gold prices were lower to start the week on Monday, pulling further away from a more than nine-month high as the U.S. dollar strengthened following an upbeat jobs report which highlighted strength in the domestic economy. A stronger dollar can be a negative for commodities priced in the currency, making them more expensive to users of other currencies. Comex gold futures were at \$1,315.75 a troy ounce by 8:25AM ET (13:25 GMT), down \$6.25, or around 0.5%. It hit its highest level since June 14 at \$1,331.10 on Jan. 31. Meanwhile, spot gold was trading at \$1,311.69 per ounce, down \$5.96 on the day. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, hovered near a one-week high amid indications of underlying strength in the world's largest economy. Data released on Friday showed that U.S. job growth surged in January, with employers hiring the most workers in 11 months. The jobs report, along with stronger-than-expected ISM manufacturing data, eased concerns over a slowdown in the U.S. economy, leading traders to trim expectations the Federal Reserve would need to cut interest rates to support the economy later this year. "Upbeat non-farm payroll suggests the U.S. economy is riding a strong momentum, dampening demand for safe-haven assets like gold," said Margaret Yang, a market analyst with CMC Markets. Political rhetoric could hang over the market in the coming week, as investors await U.S. President Donald Trump's annual State of the Union address to Congress on Tuesday. This week is also peppered with a handful of appearances from Federal Reserve officials, most importantly Chairman Jerome Powell on Wednesday, as investors look for further hints into the outlook for monetary policy in the months ahead. The Fed last week signaled that its three-year drive to tighten monetary policy is close to an end due to rising headwinds to the economy.

Mentha oil jumps on strong demand, low supply

Mentha oil price climbed higher in futures trade on Monday, backed by healthy demand by consuming industries NSE - 2.00 %. Around 11:35 am, MCX Mentha oil was at Rs 1,573.20 per kg, up by 1.04 per cent. Raising of bets by speculators, driven by surging demand from consuming industries at the spot market against limited supplies from key producing regions, drove mentha oil prices higher in futures trade. The sentiments are turning positive on account of delayed sowing due to untimely rains which may bring a considerable dip in the crop yield.

| COMMODITY | CLOSE | S2 | S1 | PIVOT | R1 | R2 | TREND |
|-------------|--------|--------|--------|--------|--------|--------|-------|
| SILVER | 40568 | 40063 | 40315 | 40478 | 40730 | 40893 | Up |
| GOLD | 33345 | 32855 | 33100 | 33425 | 33670 | 33995 | Up |
| CRUDE OIL | 3903 | 3739 | 3821 | 3915 | 3997 | 4091 | Up |
| COPPER | 442.95 | 434.70 | 438.80 | 441.30 | 445.40 | 447.90 | Down |
| NATURAL GAS | 192.80 | 187.80 | 190.30 | 193.90 | 196.40 | 200.00 | Down |
| JEERA | 15680 | 15470 | 15575 | 15735 | 15840 | 16000 | Down |
| TURMERIC | 6418 | 6334 | 6376 | 6414 | 6456 | 6494 | Down |
| SOYBEAN | 3823 | 3734 | 3779 | 3806 | 3851 | 3878 | Up |
| RM SEED | 3995 | 3936 | 3965 | 3982 | 4011 | 4028 | Up |
| GUAR SEED | 4285 | 4244 | 4265 | 4287 | 4308 | 4330 | Up |

International Markets

| COMMODITY | CLOSE | % CHANGE |
|--------------------|-----------|----------|
| LONDON SPOT GOLD | \$1314.69 | -0.21 |
| LONDON SPOT SILVER | \$15.88 | -0.06 |
| NYMEX CRUDE OIL | \$54.32 | -1.86 |
| NYMEX NATURAL GAS | \$2.675 | -2.09 |

Economic Data

| Data | Previous | Forecast | Time |
|-----------------|----------|----------|--------|
| ISM Non-Mfg PMI | 57.6 | 57.0 | 8:30pm |

RECOMMENDATIONS

NICKEL

NICKEL FEB: BUY AT 935-934 TP-957 SL BELOW 920.



Nickel bounced back strongly yesterday and ended in a high momentum bullish candlestick with good participation. Buy on intraday dips.

GUARSEED

GUARSEED FEB: SELL BELOW 4265 TP-4211 SL ABOVE 4301.



Guarseed once again tumbled yesterday after it failed to cross resistance that stood in the form of a trend line. Intraday traders can sell on a further breakdown of the immediate support.

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Contact

SMS: 'Arihant' to 56677

Websitewww.arihantcapital.com**Email Id**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

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