

Tuesday, 05 March 2019

News, Views & Statistics
Oil prices rise on trade deal hopes, OPEC supply cuts

Oil prices rose on Monday, buoyed by output cuts by producer club OPEC and reports that the United States and China are close to a deal to end a bitter tariff row that has slowed global economic growth. International Brent futures were at \$65.25 a barrel at 0713 GMT, up 18 cents, or 0.3 percent, from their last close. U.S. WTI crude futures were at \$55.94 per barrel, up 14 cents, or 0.3 percent. The rally followed reports that the United States and China are close to ending their year-long trade dispute. The two countries appear close to a deal that would roll back U.S. tariffs on at least \$200 billion worth of Chinese goods, as Beijing makes pledges on structural economic changes and eliminates retaliatory tariffs on U.S. goods, a source briefed on negotiations said on Sunday in Washington. Hopes of an end to the trade spat between the two world's biggest economies added support to a market that has been rallying for the past two months on cuts to production. The "substantive progress" China and the United States have made in their trade talks has been "well-received" in both countries and around the world, a senior Chinese official said on Monday. Supply from the OPEC fell to a four-year low in February, a Reuter's survey found, as top exporter Saudi Arabia and its allies over-delivered on the group's supply pact while Venezuelan output registered a further involuntary decline. "OPEC exports are off by over 1.5 million bpd since November," Barclays (LON:BARC) bank said in a note released on Sunday. "The supply picture looks generally tighter this year," said energy analysts at Fitch Solutions in a note on Monday, adding they expected Brent to average \$73 per barrel in 2019. Oil prices have been further pushed up by U.S. sanctions against OPEC-members Iran and Venezuela, which Barclays bank estimates to have resulted in a reduction of around 2 million bpd in global crude supply. In the United States, there are signs that the oil production boom of the past years, which has seen crude output rise by more than 2 million bpd since early 2018 to more than 12 million bpd, may slow down.

Soybean futures trade higher on improved demand

Soybean futures traded higher on NCDEX as speculators enlarged their holdings, tracking improved demand at the spot market. Further, reports showing soy meal exports from India are expected to rise 25 percent on year to around 15 lakh tons in 2018-19 (Apr-Mar). However, higher off-season arrivals and higher production forecasts, capped some gains. The contract for April delivery was trading at Rs 3695.00, up by 0.93% or Rs 34.00 from its previous closing of Rs 3661.00. The open interest of the contract stood at 118790 lots on NCDEX.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	38644	38375	38509	38721	38855	39067	Reversal
GOLD	32290	32070	32180	32365	32475	32660	Reversal
CRUDE OIL	4037	3956	3997	4023	4064	4090	Down
COPPER	460.15	454.50	457.30	459.70	462.50	464.90	Up
NATURAL GAS	202.9	199.40	201.20	203.30	205.10	207.20	Up
JEERA	15215	15065	15140	15205	15280	15345	Up
TURMERIC	6314	6202	6258	6308	6364	6414	Down
SOYBEAN	3701	3645	3673	3690	3718	3735	Up
RM SEED	3842	3805	3824	3836	3855	3867	Down
GUAR SEED	4225	4203	4214	4229	4240	4254	Down

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1286.15	-0.40
LONDON SPOT SILVER	\$15.10	-0.98
NYMEX CRUDE OIL	\$56.84	1.86
NYMEX NATURAL GAS	\$2.845	-0.49

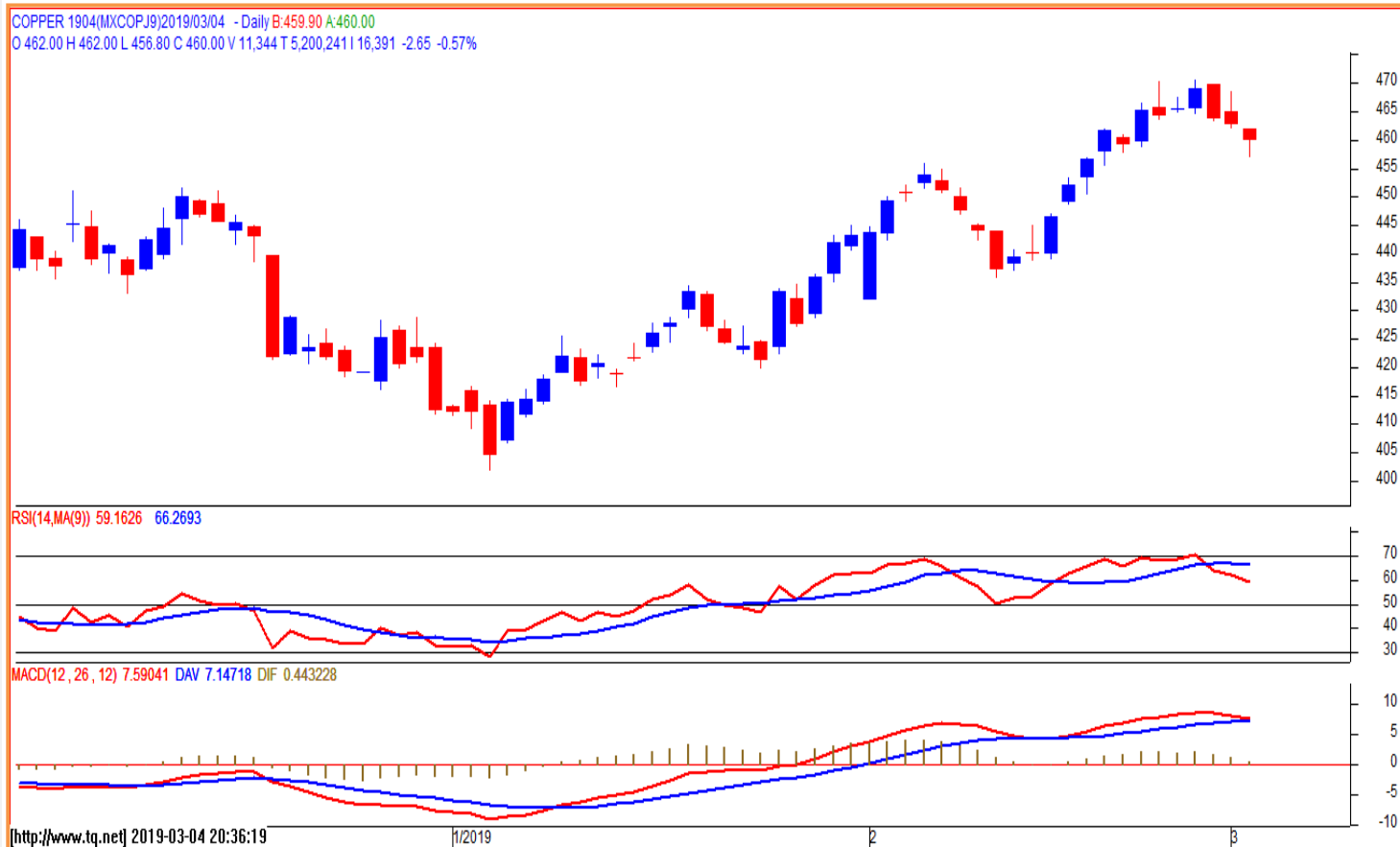
Economic Data

Data	Previous	Forecast	Time
No major release	-	-	-

RECOMMENDATIONS

COPPER

COPPER APR: SELL AT 460.50-460.60 TP-454.95/450.50 SL ABOVE 464.50



Copper opened gap down yesterday after some negative developments at fundamental level. The metal is likely to face the heat even today as the talks to avert trade war heads into indecision.

COCUD

COCUD MAR: SELL BELOW 1920 TP-1877 SL ABOVE 1951.



After falling for entire week, COCUD recovered a bit on Friday to take a respectable closing. However, the overall trend is bearish and we expect the things to remain tricky for bulls today.

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Contact**SMS: 'Arihant' to 56677****Website**www.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: 0731-4217103

Corporate 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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