

Thursday, 06 June 2019

News, Views & Statistics
Gold Prices Reach 3-Month Highs on Fed Rate Cut Expectations

Gold prices scaled the heights for a sixth consecutive session on Wednesday, reaching a three-month high after Federal Reserve Chairman Jerome Powell hinted that the U.S. central bank may cut interest rates if the American economy weakens as a consequence of trade disputes. Gold futures for August delivery on the Comex division of the New York Mercantile Exchange, gained \$14.65, or 1.1%, to \$1,343.35 a troy ounce by 8:18 AM ET (12:18 GMT). That was its highest level since February. Gold was already in rally-mode thanks to safe-haven demand in the wake of U.S. President Donald Trump's threats of higher tariffs on imports from China and Mexico. Powell's remarks gave it a further boost. In an apparent shift from the prior stance that the Fed would remain "patient" with regard to changing interest rates, Powell said that the U.S. central bank would "act as appropriate to sustain the expansion," noting the high degree of uncertainty on how the current disputes will play out. Fed fund futures are now pricing in the probability of three rate cuts by the end of the year at more than 50%. Lower interest rates would be bullish news for gold as they reduce the opportunity cost of holding the non-yielding metal. Callum Thomas, founder of research house Topdown Charts, noted that U.S. dollar strength had been keeping a cap on gold prices, but the recent shift in expectations for the Fed to cut rates has changed the larger picture.

Govt may increase subsidies food grain, Sugar quota

Government is planning to provide one kg of sugar to an additional 16.3 crore families through the PDS at a subsidized rate that will cost the exchequer Rs 4,727 crore and is also mulling offering additional food grains from buffer stock to clear storage ahead of monsoon. According to sources, the food ministry's proposal to extend the scheme of providing sugar at a subsidized rate was discussed during the first Cabinet meeting of the new government held last week but no decision was taken. Instead, the cabinet asked the ministry to rework the proposal and consider the distribution of additional food grains (wheat or rice) under the PDS, they added. At present, sugar is distributed at a subsidized rate of Rs 13.5 per kg to 2.5 crore families under the Antyodaya Anna Yojana (AAY). The proposal is to extend one kg sugar supplies to additional 16.29 crore beneficiary families, would cost Rs 4,727 crore to the exchequer, sources said. The ministry is thinking of supplying 1 or 2 kg of additional food grains but a final call is yet to be taken, sources said. Under the NFSA, the government is supplying 5 kg of food grains each per month to over 80 crore people at a highly subsidized price. Wheat is being supplied at Rs 2 per kg, while rice at Rs 3 per kg.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	36914	36466	36690	37046	37270	37626	Up
GOLD	32717	32468	32593	32774	32899	33080	Up
CRUDE OIL	3563	3421	3492	3593	3664	3765	Down
COPPER	403.80	399.70	401.70	405.90	408.00	412.20	Down
NATURAL GAS	166.70	164.50	165.60	167.20	168.30	169.90	Down
JEERA	17790	17385	17590	17715	17920	18045	Up
TURMERIC	6910	6772	6842	6892	6962	7012	Up
SOYBEAN	3620	3576	3598	3625	3647	3674	Down
RM SEED	3920	3857	3889	3908	3940	3959	Sideways
GUAR SEED	4241	4144	4192	4233	4281	4322	Down

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1329.50	+0.23
LONDON SPOT SILVER	\$14.80	+0.20
NYMEX CRUDE OIL	\$51.15	-3.69
NYMEX NATURAL GAS	\$2.408	-0.95

Economic Data

Data	Previous	Forecast	Time
Jobless Claims	215K	215K	6:00pm
NG Inv.	114B	-	8:00pm

RECOMMENDATIONS

COPPER

COPPER JUNE: TRADING RANGE 398.00 – 408.50.

COPPER 1st(MXCOPC1)2019/06/05 - Daily B:404.15 A:404.25
O:410.10 H:410.10 L:404.05 C:404.20 V:17,589 T:7,150,436 I:29,079 -6.35 -1.55%



The trend is indecisive in this metal counter. Wait for our intraday trading strategy.

JEERA

JEERA JUNE: TRADING RANGE 17720 - 18050.

Jeera Unjha 1st(NCJEEC1)2019/06/04 - Daily
O 17525.00 H 17840.00 L 17510.00 C 17790.00 V 3,372 | 2,883 +260 +1.48%



The trend is indecisive in this agro counter. Wait for our intraday trading strategy.

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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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