

Thursday, 06 August 2018

News, Views & Statistics

Gold Prices Bounce as Weak Dollar Provides Relief, Attention Shifts to Jobs

Gold prices rebounded on Wednesday after declining more than 1% a day earlier as the dollar took a pause from its climb this week and investors prepared for a slew of events at the end of the week. At 12:06 PM, gold futures for December delivery on the Comex division of the New York Mercantile Exchange fell \$3.60, or 0.30%, to \$1,202.70 a troy ounce. Meanwhile, the U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, gained 0.47% to 95.52. The dollar appeared to take a breather as market participants waited to see if U.S. President Trump would slap tariffs on an additional \$200 billion worth of imports from China as soon as Thursday, which would ratchet up the trade row with Beijing. A weaker greenback makes the dollar-denominated metal more affordable for holders of foreign currencies. Data overnight showed that business activity in China slowed in August, indicating that the trade dispute with the U.S. is hitting demand. Trade talks between the U.S. and Canada resumed on Wednesday, with Trump threatening to leave Canada out of a new deal already negotiated with Mexico. In U.S. economic data, the U.S. trade deficit increased to a five-month high in July, registering its largest increase in three years, as exports of soybeans and civilian aircraft declined and imports hit a record high. Markets were shifting gears to the U.S. labor market with the ADP monthly report on job creation and weekly jobless claims on Thursday to be followed by the official August monthly employment report at the end of the week. The consensus forecast is for the creation of 191,000 jobs last month, while the unemployment rate is expected to hold steady at 3.9%. With expectations pointing to another solid reading for the U.S. labor market, the report is not likely to move market expectations for the Federal Reserve to hike interest rates by a quarter points at the next policy meeting on Sept. 25-26. Higher interest rates tend to weigh on demand for gold, which doesn't bear interest, in favor of yield-bearing investments.

Turmeric futures fall 0.74 pc on weak demand

Turmeric prices fell by 0.74 per cent to Rs 6,672 per quintal in futures market Wednesday on account of easing demand from retailers and industrial buyers at the spot market. Reports of improved sowing from major growing areas of Tamil Nadu, Karnataka and Maharashtra also influenced the turmeric futures prices. At the National Commodity and Derivatives Exchange, turmeric for September declined by Rs 50, or 0.74 per cent, to Rs 6,672 per quintal with an open interest of 8,485 lots. Market analysts said off-loading of positions by traders, triggered by fall in domestic as well as export demand against adequate stocks position mainly exerted pressure on turmeric prices.

| COMMODITY | CLOSE | S2 | S1 | PIVOT | R1 | R2 | TREND |
|-------------|--------|--------|--------|--------|--------|--------|----------|
| SILVER | 36397 | 35442 | 35920 | 36737 | 37215 | 38032 | Up |
| GOLD | 30310 | 30104 | 30207 | 30322 | 30425 | 30540 | Up |
| CRUDE OIL | 4931 | 4883 | 4907 | 4948 | 4972 | 5013 | Up |
| COPPER | 419.45 | 413.70 | 416.60 | 418.45 | 421.35 | 423.20 | Up |
| NATURAL GAS | 200.90 | 197.90 | 199.40 | 201.80 | 203.30 | 205.70 | Up |
| JEERA | 19630 | 19380 | 19505 | 19625 | 19750 | 19870 | Up |
| TURMERIC | 6760 | 6656 | 6708 | 6770 | 6822 | 6884 | Sideways |
| SOYBEAN | 3235 | 3172 | 3203 | 3259 | 3290 | 3346 | Down |
| RM SEED | 4080 | 4050 | 4065 | 4092 | 4107 | 4134 | Down |
| GUAR SEED | 4365 | 4266 | 4315 | 4346 | 4396 | 4427 | Down |

International Markets

| COMMODITY | CLOSE | % CHANGE |
|--------------------|-----------|----------|
| LONDON SPOT GOLD | \$1195.67 | +0.37 |
| LONDON SPOT SILVER | \$14.18 | +0.21 |
| NYMEX CRUDE OIL | \$68.84 | -0.75 |
| NYMEX NATURAL GAS | \$2.797 | -0.64 |

Economic Data

| Data | Previous | Forecast | Time |
|----------------|----------|----------|--------|
| ADP Non-Farm | 219K | 195K | 5:45pm |
| Jobless Claim | 213K | 214K | 6:00pm |
| ISM Non-Mfg. | 55.7 | 56.8 | 7:30pm |
| NG inv. | +70B | +60B | 8:00pm |
| Crude Oil Inv. | -2.6M | -2.2M | 8:30pm |

RECOMMENDATIONS

CRUDE OIL

CRUDE OIL SEP-SELL AT 4970-4972 TP-4911/4869 SL ABOVE 5010.



Crude oil broke below immediate support on daily chart and closed the day in a negative candlestick. Sell on small rise.

DHANIYA

DHANIYA OCT: BUY AT 5320-5315 TP-5420/5505 SL BELOW 5250.



Dhaniya outperformed other spices yesterday and closed on upper circuit levels. The rounded seed spice also broke above a crucial trend line resistance.

Disclaimer: This document has been prepared by Arihant Capital Markets Limited (hereinafter called as Arihant) and its subsidiaries and associated companies. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. Receipt and review of this document constitutes your agreement not to circulate, redistribute, retransmit or disclose to others the contents, opinions, conclusion, or information contained herein. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this material may not be suitable for all investors. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material. Arihant Capital Markets Ltd (including its affiliates) or its officers, directors, personnel and employees, including persons involved in the preparation or issuance of this material may; (a) from time to time, have positions in, and buy or sell or (b) be engaged in any other transaction and earn brokerage or other compensation in the financial instruments/products discussed herein or act as advisor or lender/borrower in respect of such securities/financial instruments/products or have other potential conflict of interest with respect to any recommendation and related information and opinions. The said persons may have acted upon and/or in a manner contradictory with the information contained here and may have a position or be otherwise interested in the investment referred to in this document before its publication. The user of this report assumes the entire risk of any use made of this data / Report. Arihant especially states that it has no financial liability, whatsoever, to the users of this Report.

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

RCH-CMB-