

Friday, 07 June 2019

News, Views & Statistics
Gold Prices Extend Rally to 7 Days as Rate Cut Expectations Boost Demand

Gold prices continued to head higher for a seventh-consecutive session Thursday as expectations that the U.S. will cut interest rates finally broke the precious metal out of its range-bound trade. Gold futures for August delivery on the Comex division of the New York Mercantile Exchange gained \$8.05, or 0.6%, to \$1,341.65 a troy ounce by 10:24 AM ET (14:24 GMT), its highest level since Feb. 1. Although safe-haven demand was supported by U.S. President Donald Trump's plans to implement tariffs against China and Mexico, Ole Hansen, head of commodity strategy at Saxo Bank said that "weaker stocks and lower bond yields over the past few months were not enough to shake gold out of its established range". "What changed was the sudden acceleration is the market expectations for U.S. rate cuts," he added. Lower interest rates lower the opportunity cost of holding the non-yielding metal. But Hansen noted that the recent rally has brought gold to a strong resistance level between \$1,350 and \$1,380. "We maintain the view that global growth momentum is slowing and likely to worsen further before renewed policy panic from global central banks will help to stabilize the outlook," he said. Hansen expects a period of consolidation until that materializes, before the yellow metal breaks out towards \$1,480, a 50% correction of the 2011-15 selloffs. In other metals trading, silver futures rose 0.9% at \$14.928 a troy ounce by 10:25 AM ET (14:25 GMT)..

CAI retains India's Cotton crop estimates at 315 lakh bales

CAI has retained its cotton production estimate at 315 lakh bales in its latest forecast for the 2018-19 seasons. In the last cotton season, total output stood at 365 lakh bales, the association said Monday. The cotton season runs from October to September. CAI in its forecast for May said the total cotton supply from October 2018 to May 2019 was 325 lakh bales of 170 kg each. The total supply includes arrivals of 287.72 lakh bales up to May 31, 2019, imports of 9.28 lakh bales and the opening stocks of 28 lakh bales at the beginning of the season. Further, the CAI noted that cotton consumption during October 2018 to May 2019 stood at 209 lakh bales. The export shipments till May 31 are estimated at 44 lakh bales. Stocks at the end of May 2019 are estimated at 72 lakh bales, including 32.68 lakh bales with textile mills and remaining 39.32 lakh bales with the CCI, MNCs and others. The total cotton supply till end of the cotton season-- up to September 30, 2019 -- is estimated at 374 lakh bales, which includes the opening stock of 28 lakh bales at the beginning of the season. Imports are estimated at 31 lakh bales. Imports are estimated to be higher compared to the previous year's import estimate of 15 lakh bales. CAI estimated domestic consumption for the entire crop year at 315 lakh bales. Exports are estimated at 46 lakh bales for the season.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	37025	36666	36845	37048	37227	37430	Up
GOLD	32800	32628	32714	32774	32860	32920	Up
CRUDE OIL	3577	3509	3543	3585	3619	3661	Down
COPPER	405.90	401.80	403.80	405.20	407.20	408.60	Down
NATURAL GAS	160.80	156.50	158.60	162.50	164.60	168.50	Down
JEERA	17435	17185	17310	17565	17690	17945	Up
TURMERIC	6776	6644	6710	6840	6906	7036	Up
SOYBEAN	3651	3577	3614	3639	3676	3701	Down
RM SEED	3934	3898	3916	3933	3951	3968	Sideways
GUAR SEED	4175.5	4097	4136	4201	4240	4305	Down

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1338.16	+0.53
LONDON SPOT SILVER	\$14.89	+0.54
NYMEX CRUDE OIL	\$51.64	-0.33
NYMEX NATURAL GAS	\$2.326	-2.64

Economic Data

Data	Previous	Forecast	Time
Non-Farm Payroll	263K	180K	6:00pm
Jobless Rate	3.6%	3.6%	-

RECOMMENDATIONS

GOLD

GOLD AUG: BUY AT 32670-32665 TP-32781 SL BELOW 32600.

GOLD 1st(MXGLDC1)2019/06/06 - Daily B:32803.00 A:32817.00
O 32688.00 H 32834.00 L 32688.00 C 32815.00 V 7,879 T 25,815,263 I 16,348 +135 +0.41%



Gold continued to break barriers that stood in the form of technical resistance. Buy on small dips.

CASTOR

CASTOR JUNE: SELL AT 5470-5474 TP-5370 SL ABOVE 5540.

CASTOR SEED NEW 1st(NCCTNC1)2019/06/06 - Daily B:5402.00 A:5420.00
O 5478.00 H 5524.00 L 5314.00 C 5402.00 V 62,885 I 51,260 -76 -1.39%



Castor is on a falling spree as the oilseed continued to slide without any respite. Sell on rise.

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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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