

Friday, 8 February 2019

News, Views & Statistics
Oil Prices Fall as Russia Shrugs off Immediate Increase to Cooperation With OPEC

After a brief respite from a smaller-than-expected build in U.S. crude inventories, oil prices returned to the downward path on Thursday as Russia shrugged off any urgency to formalize additional cooperation with OPEC on reducing the global supply through production cuts. New York-traded West Texas Intermediate crude futures fell 81 cents, or 1.50%, at \$54.21 a barrel by 10:15 AM ET (15:15 GMT). Meanwhile, Brent crude futures, the benchmark for oil prices outside the U.S., traded down 50 cents, or 0.80%, to \$62.19. Crude has been under pressure this week amid signs that global economic weakness would reduce demand, even as data from the Energy Information Administration showed that the U.S. continues to produce oil at record levels, outstripping traditional sources such as Saudi Arabia or Russia. Dashing hopes that an agreement between OPEC and allies led by Russia would be sufficient to put the brakes on the global supply, Bloomberg reported on Wednesday that Moscow was taking its time in complying with the exports cuts, giving itself until May instead of the original March deadline to honor the reductions. On Tuesday, The Wall Street Journal had reported that Saudi-led OPEC was trying to lure Russia into a formal tie-up with the cartel to better ensure the country's compliance to rebalancing the market. Russian Energy Minister Alexander Novak poured cold water over hopes of a rapid agreement on Thursday as he commented that the alliance could discuss a charter outlining open-ended cooperation in April, according to TASS news agency. John Kilduff, founding partner at New York energy hedge fund Again Capital, likened the idea of tying Russia down to OPEC rules as "leading a horse to water, but not being able to make it drink." "The Russians know that when they are forced to proactively keep their supplies tight at all times to support prices, they are only going to foster more barrels from other competitors who aren't playing by such rules," Kilduff said.

Malaysia Jan Palm Oil stockpiles likely to decline

Malaysia's Palm Oil stockpiles at the end of January are forecast to fall by 4.7 percent from the previous month's record high to 3.07 million tonnes, as production eases and exports increase, according to a Reuter's survey. Falling inventories will add to the recovery in benchmark Palm Oil prices since last November when they fell to their lowest in three years. This would be the first month of inventory declines after seven gains. In December, stocks rose to 3.22 million tons, a record high. Palm Oil production typically falls during the first quarter of the year. Additionally, the poll also showed Malaysia's January Palm exports rising 12.4 percent from December to 1.56 million tons on stronger demand from Europe. The better than expected recovery in exports was due to stronger demand from European Union countries.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	39953	39762	39857	39957	40052	40152	Up
GOLD	33177	32916	33046	33166	33296	33416	Up
CRUDE OIL	3726	3592	3659	3769	3836	3946	Up
COPPER	446.80	443.50	445.20	447.70	449.40	451.90	Down
NATURAL GAS	184.30	177.40	180.80	187.30	190.70	197.20	Down
JEERA	15630	15270	15450	15550	15730	15830	Down
TURMERIC	6362	6246	6304	6352	6410	6460	Down
SOYBEAN	3818	3736	3777	3801	3842	3866	Up
RM SEED	3941	3900	3921	3937	3958	3974	Up
GUAR SEED	4218	4121	4170	4198	4247	4275	Up

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1310.75	+0.33
LONDON SPOT SILVER	\$15.71	+0.32
NYMEX CRUDE OIL	\$52.21	-3.14
NYMEX NATURAL GAS	\$2.573	-3.88

Economic Data

Data	Previous	Forecast	Time
No major release	-	-	-

RECOMMENDATIONS

CRUDE OIL

CRUDE OIL FEB: SELL AT 3768-3770 TP-3711 SL ABOVE 3810.



Crude oil tumbled heavily yesterday as the bubble created over supply fears finally busted. Sell on rise.

CHANA

CHANA MAR: BUY AT 4252-4250 TP-4299 SL BELOW 4215.



Chana bounced back in the last hour of yesterday's trading session. The pulse is likely to carry the gains further today.

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