

Wednesday, 08 May 2019

News, Views & Statistics
India's Oil import dependence jumps to 83.7% in 2018-19

With consumption growing at a brisk pace and domestic output remaining stagnant, India's oil import dependence has risen from 82.9% in 2017-18 to 83.7% in 2018-19, according to the oil ministry's Petroleum Planning and Analysis Cell (PPAC). Import dependence in 2015-16 was 80.6%, which rose to 81.7% in the following year, PPAC said. The country's oil consumption grew from 184.7 million tons in 2015-16 to 194.6 million tons in the following year and 206.2 million tons in the year thereafter. In 2018-19, demand grew by 2.6% to 211.6 million tons. In contrast, domestic output continues to fall. India's crude oil output fell from 36.9 million tons in 2015-16 to 36 million tons in 2016-17. The trend of negative growth continues in the following years as well as output fell to 35.7 million tons in 2017-18 and to 34.2 million tons in the fiscal year that ended on March 31, 2019, PPAC data showed. According to PPAC, India spent USD 111.9 billion on oil imports in 2018-19, up from USD 87.8 billion in the previous fiscal year. The import bill was USD 64 billion in 2015-16. For the current fiscal, it projected crude oil imports to rise to 233 million tons and foreign exchange spending on it to marginally increase to USD 112.7 billion.

Cotton yarn margins may shrink 100-150 bps FY20: report

Operating margins of domestic cotton yarn spinners to shrink 100-150 basis points (bps) in fiscal 2020 amid lower cotton output, rising cotton prices and moderating demand, reversing the recovery seen the previous fiscal, credit rating agency CRISIL Research said in its latest report. That, however, is unlikely to materially impact the credit profiles of spinners, given the continuation of three major spurs of fiscal 2019 – modest capex intensity, prudent working capital management, and strengthened balance sheets, the agency said. India's cotton production is expected drop by over 5% in cotton season 2019 (October 1, 2018, to September 30, 2019) because of low water availability and inadequate south-west monsoon in key cotton producing states and lower yields owing to increase in incidents of pest attacks. Lower cotton production is expected to shrink India's cotton stock to a two-year low of 1.2 months by the end of CS 2019, leading to firming up of domestic cotton prices to Rs 128-140 per kg this fiscal, marking a rise of 7-8% over fiscal 2019. Global cotton prices, meanwhile, are expected to remain steady at Rs 128-134 per kg as lower production in India, US and Australia will be offset by higher production in China and Brazil. This would narrow the gap between domestic and global cotton prices.

| COMMODITY | CLOSE | S2 | S1 | PIVOT | R1 | R2 | TREND |
|-------------|--------|--------|--------|--------|--------|--------|----------|
| SILVER | 37464 | 36918 | 37151 | 37284 | 37517 | 37650 | Up |
| GOLD | 31729 | 31386 | 31481 | 31565 | 31900 | 38220 | Up |
| CRUDE OIL | 4264 | 4141 | 4238 | 4287 | 4384 | 4433 | Up |
| COPPER | 430.40 | 424.00 | 427.00 | 435.20 | 434.90 | 440.00 | Down |
| NATURAL GAS | 178.10 | 172.60 | 174.20 | 176.80 | 181.00 | 184.20 | Down |
| JEERA | 17065 | 16915 | 16990 | 17075 | 17155 | 17245 | Up |
| TURMERIC | 6518 | 6400 | 6440 | 6506 | 6550 | 6620 | Up |
| SOYBEAN | 3695 | 3574 | 3629 | 3692 | 3712 | 3740 | Sideways |
| RM SEED | 3810 | 3741 | 3770 | 3807 | 3818 | 3837 | Sideways |
| GUAR SEED | 4500 | 4390 | 4449 | 4506 | 4540 | 4572 | Down |

International Markets

| COMMODITY | CLOSE | % CHANGE |
|--------------------|-----------|----------|
| LONDON SPOT GOLD | \$1286.70 | +0.19 |
| LONDON SPOT SILVER | \$14.92 | +0.21 |
| NYMEX CRUDE OIL | \$61.83 | +0.70 |
| NYMEX NATURAL GAS | \$2.546 | +0.04 |

Economic Data

| Data | Previous | Forecast | Time |
|-------------------|----------|----------|--------|
| US Crude oil Inv. | +9.9M | - | 8:00PM |

RECOMMENDATIONS

COPPER

COPPER JUNE: TRADING RANGE 435.50 - 445.50.

COPPER 1906(MXCOPM9)2019/05/06 - Daily B:437.95 A:438.00
O 432.10 H 438.40 L 429.10 C 438.00 V 46,883 T 20,318,205 I 14,322 +3.65 +0.84%



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

GUARSEED

GUARSEED JUNE: TRADING RANGE 4480 -4572 .



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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