

Wednesday, 10 October 2018

News, Views & Statistics

Gold Prices Climb From 1-Week Lows in Risk-Off Trade

Gold prices moved higher on Tuesday, pulling away from one-week lows as rising U.S. bond yields and concerns over the outlook for global growth soured market sentiment. December gold futures were up \$3.20 or 0.27% to \$1,191.8 by 10:30 AM ET (14:31 GMT) on the Comex division of the New York Mercantile Exchange. Prices settled at \$1,184.40 on Monday, the lowest close since Sept. 28. Gold's gains came as equity markets remained under pressure from the move higher in U.S. Treasury yields, which sent the yield on 10-year Treasury notes to a fresh seven-year peak earlier Tuesday. The sell-off in Treasuries has been spurred by expectations for a potentially faster pace of rate hikes from the Federal Reserve. Expectations for rising interest rates look likely to remain a headwind for gold prices. Interest rate increases and higher U.S. bond yields dampen appeal for gold, which offers no yield. They also tend to boost the dollar. Risk aversion also mounted after the International Monetary Fund cut its global growth forecast on Tuesday, warning that trade conflicts are starting to have a serious impact on the global economy. The IMF downgraded its outlook for the U.S., China, the euro zone and the UK, saying it now expects the global economy to expand by just 3.7% in 2018 and 2019, down from 3.9% before. Gold's gains came in spite of its typically inverse relationship to the U.S. dollar. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was last at 95.50, not far from the six-week high of 95.78 reached late last week.

Malaysia Palm Oil stocks fall to 2.47 MT in September: survey

Malaysia's palm oil stocks likely edged down in September from seven-month highs in August as shipments from the world's No.2 exporter of the commodity outpaced production-growth for the month, according to a Reuters survey. September inventories are expected to have dropped 0.7% from the month before to 2.47 million tons, according to the survey. The dip in stockpiles was largely attributed to a surge in exports, which were estimated to have jumped 50 percent from August to 1.65 million tons; potentially marking what would be the highest level in over two years and the sharpest monthly jump since October 2006. That comes after cargo surveyors reported on Monday that Malaysia's palm oil exports rose between 49% and 54.6% in September. Respondents in the Reuters survey said exports were boosted after the country in September cut its crude palm oil export tax to zero from 4.5 percent in August, as well as being stoked by good seasonal demand from top importer India ahead of its Diwali celebration in early November. Malaysia is keeping the export tax at zero for October. The survey pegged September's output to rise 14.7 percent from August to 1.86 million tons. That would be the strongest production since November and the highest September levels since 2015.

| COMMODITY | CLOSE | S2 | S1 | PIVOT | R1 | R2 | TREND |
|-------------|--------|--------|--------|--------|--------|--------|----------|
| SILVER | 38635 | 38302 | 38469 | 38628 | 38795 | 38954 | Down |
| GOLD | 31290 | 31138 | 31214 | 31307 | 31383 | 31476 | Up |
| CRUDE OIL | 5567 | 5454 | 5511 | 5544 | 5601 | 5634 | Up |
| COPPER | 463.25 | 452.00 | 457.60 | 460.50 | 466.10 | 469.00 | Sideways |
| NATURAL GAS | 241.60 | 234.10 | 237.90 | 244.30 | 248.10 | 254.50 | Up |
| JEERA | 19410 | 19240 | 19325 | 19475 | 19560 | 19710 | Down |
| TURMERIC | 6580 | 6496 | 6538 | 6582 | 6624 | 6668 | Sideways |
| SOYBEAN | 3223 | 3184 | 3204 | 3219 | 3239 | 3254 | Down |
| RM SEED | 4160 | 4138 | 4149 | 4162 | 4173 | 4186 | Down |
| GUAR SEED | 4255 | 4226 | 4240 | 4258 | 4272 | 4290 | Up |

International Markets

| COMMODITY | CLOSE | % CHANGE |
|--------------------|-----------|----------|
| LONDON SPOT GOLD | \$1188.17 | +0.02 |
| LONDON SPOT SILVER | \$14.38 | +0.14 |
| NYMEX CRUDE OIL | \$75.19 | +1.33 |
| NYMEX NATURAL GAS | \$3.247 | -1.01 |

Economic Data

| Data | Previous | Forecast | Time |
|------------------|----------|----------|------|
| No major release | - | - | - |

RECOMMENDATIONS

CRUDE OIL

CRUDE OIL OCT: SELL BELOW 5530 TP-5471/5420 SL ABOVE 5573.

CRUDEOIL 1810(MXCROV8)2018/10/09 - Daily B:5547.00 A:5549.00
 O:5527.00 H:5578.00 L:5488.00 C:5548.00 ↑ V:101,697 T:56,370,935 I:19,374 +54 +0.98%
 SMA(13):5412.5 SMA(13):5289.2 SMA(8):5474.5



Crude oil is nearing a 'tired bull' situation according to daily chart and we may see a sell off on any support breakdown from here.

DHANIYA

DHANIYA NOV: BUY ABOVE 5100 TP-5187/5250 SL BELOW 5040.



After a fabulous Monday, Dhaniya corrected slightly yesterday BUT technical charts are indicating a buying opportunity once again. Buy on resistance breakout.

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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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