

Tuesday, 11 June 2019

**News, Views & Statistics**
**OPEC Oil Production Slumps With Saudis Cutting Deeper**

OPEC's oil production dropped by 170,000 bpd from April to 30.09 million bpd in May—the lowest level since February 2015, as Saudi Arabia cut its oil output even deeper despite the end of the U.S. sanction waivers for Iranian oil customers, according to the monthly S&P Global Platts survey. According to the survey that measures well-head crude oil production in each OPEC state, the cartel's largest producer Saudi Arabia further slashed its production in May—by 120,000 bpd from April to 9.7 million bpd last month. This was the lowest Saudi oil production in four and a half years, according to Platts estimates. At the end of May, a Reuters survey showed that although OPEC's oil production dropped to a 2015 low of 30.17 million bpd in May, Saudi Arabia boosted its production by 200,000 bpd. This rise in Saudi supply, however, was unable to offset an even larger production decline in Iran after the U.S. removed all sanction waivers at the beginning of May. After the U.S. choked off more Iranian supply with the end of the waivers, Saudi Arabia appears to have lifted its oil supply by 200,000 bpd to 10.05 million bpd, according to the monthly Reuters survey that tracks supply to the market from shipping data and sources at OPEC, oil companies, and consulting firms.

**India Oil meal exports drop 78% in May due to US sanctions on Iran: SEA**

India's export of oil meal, used as animal feed, declined 78% to 58,549 tons in May as shipments to Iran dropped sharply because of US sanctions, industry body SEA of India (SEA) said. The country had exported 2, 63,644 tons of oil meal in May 2018. India stopped importing crude oil from Iran from May 2 after the US sanction waiver expired and the Trump administration refused to extend it. "Iran is a major export market for India as far as oil meal is concerned. Because of the US sanction, our export volume has been affected badly. This trend will continue in the coming months," SEA of India Executive Director B V Mehta told PTI. India was able to export only 17,385 tons of soybean extract to Iran during last month, the SEA data showed. The industry body, however, is trying other markets especially China to reopen for Indian oil meal, Mehta said. According to the SEA's latest data, soybean meal export declined to 18,470 tons in May 2019 from 76,026 tons in the year-ago period. Similarly, rapeseed meal shipment dropped to 19,519 tons from 1,33,916 tons, while that of rice bran extraction fell to 4,200 tons from 45,382 tons in the said period. However, the export of castor seed meal increased to 16,360 tons in May this year from 8,172 tons in the same month last year, the data showed. Total oil meal exports during April-May declined 36% to 3, 13,134 tons from 4, 87,995 tons in the same period year-ago. Vietnam, South Korea, France, Bangladesh, Thailand and Germany are other major export destinations.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	36594	36056	36325	36812	37081	37568	Up
GOLD	32652	32491	32571	32711	32791	32931	Up
CRUDE OIL	3764	3695	3730	3763	3798	3831	Down
COPPER	410.25	403.20	406.70	408.50	412.10	413.90	Down
NATURAL GAS	164.30	161.00	162.60	163.80	165.40	166.60	Down
JEERA	17585	17385	17485	17580	17680	17775	Up
TURMERIC	6716	6616	6666	6764	6814	6912	Up
SOYBEAN	3636	3599	3618	3649	3668	3699	Down
RM SEED	3897	3860	3879	3913	3932	3966	Sideways
GUAR SEED	4191	4126	4159	4214	4247	4302	Down

### International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1325.87	-0.21
LONDON SPOT SILVER	\$14.63	-1.15
NYMEX CRUDE OIL	\$54.01	-0.46
NYMEX NATURAL GAS	\$2.371	+1.89

### Economic Data

Data	Previous	Forecast	Time
Core PPI m/m	0.1%	0.2%	6:00pm
PPI m/m	0.2%	0.1%	-

### RECOMMENDATIONS

#### NG

**NG JUNE: BUY ABOVE 165.50 TP-169.20 SL BELOW 163.00.**

NATURALGAS 1st(MXGASC1)2019/06/10 - Daily B:164.50 A:164.70  
O 162.80 H 164.90 L 162.10 C 164.50 V 29,582 T 6,034,262 I 0 +1.6 +0.98%



The chart structure of NG is pointing towards a short term bullish reversal. The only hurdle is the lack of buying support needed to break above resistance levels.

## COCUD

**COCUD JULY: SELL AT 2710-2712 TP-2667 SL ABOVE 2739.**

COTTON SEED OIL 1907(NCCOUN9)2019/06/10 - Daily B:2684.00 A:2688.50  
O:2720.00 H:2731.00 L:2676.00 C:2688.50 V:41,940 I:65,410 -15 -0.55%



After a long lasting bullish rally, COCUD has started to show signs of weakness. A formation of lower top-lower bottom on daily chart is likely to bring in further sell-off.

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**Contact**

SMS: 'Arihant' to 56677

**Website**[www.arihantcapital.com](http://www.arihantcapital.com)**Email Id**[research@arihantcapital.com](mailto: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](http://www.arihantcapital.com)

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