

Tuesday, 12 December 2018

News, Views & Statistics
Oil Prices Slump on Profit-Taking After OPEC Production Curb

Oil prices slumped on Monday, erasing some of last week's strong gains from an agreement among major producers to curb output in the coming year, while analysts debated whether the deal is enough to rebalance the market. New York-traded WTI crude futures fell 96 cents, or 1.82%, at \$51.65 a barrel by 9:02 AM ET (14:02GMT). Meanwhile, Brent crude futures, the benchmark for oil prices outside the U.S., traded down 78 cents, or 1.26%, to \$60.89. OPEC announced Friday that it will reduce overall production among its members by 1.2 million bpd during the first six months of 2019 in an effort to stave off a global glut in supplies and prop up prices. The cartel will curb output by 0.8 million bpd from October levels, while non-OPEC allies contribute an additional 0.4 million bpd of cuts, in a move to be reviewed at a meeting in April. The agreement initially sent oil prices sharply higher. WTI and Brent ended the week with gains of around 3.3% and 5% respectively. U.S. bank Morgan Stanley said the cut was "likely sufficient to balance the market in 1H19 and prevent inventories from building". It added that it expected "Brent to reach \$67.5 per barrel by 2Q19, down from \$77.5 before." Merrill Lynch said the reduction "should lead to a relatively balanced global oil market and will likely push Brent and WTI prices back to our respective expected averages of \$70 per barrel and \$59 per barrel in 2019." But the bank still warned on Monday that "the surge in U.S. supply in recent months should be a reason for caution". Along similar lines, Edward Bell of Emirates NBD bank said "the scale of the cuts ... isn't enough to push the market back into deficit" and that he expected "a market surplus of around 1.2 million bpd in Q1 with the new production levels".

Mandi price of summer crops below MSPs

According to the official agmarknet data, the average price of common variety Paddy in Burdwan, West Bengal has further dipped to about 16% below its MSP of Rs 1,750 per quintal as of December 6. The average Paddy rate was 11% lower than MSP during October. Prices of Tur and Urad have increased from the October level but still lower by 21%, 35%, from their MSPs, respectively, as on December 5 in the producing centers. Mandi prices of these crops were 34% and 41% lower than MSP during October. Moong prices, however, remain about 31% lower than its MSP since the kharif harvest season started from October 1. The agriculture ministry initially budgeted for just Rs 200 crore for price support schemes, but the Cabinet has raised the budgetary provision to over Rs 15,000 crore for the implementation of PM-AASHA for crop year 2018-19 (July-June). Launching PM-AASHA in September, the government had claimed it would ensure farmers receive MSPs for their crops. But the quantity of Oilseeds and Pulses procured so far this season shows that the scheme hasn't yet made any material difference to the mandi prices.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	38413	37418	37915	38198	38695	38978	Up
GOLD	32018	31301	31659	31889	32247	32477	Up
CRUDE OIL	3759	3642	3701	3754	3813	3866	Reversal
COPPER	440.35	429.60	435.00	439.70	445.00	449.70	Down
NATURAL GAS	332.80	313.10	323.00	328.80	338.70	344.50	Up
JEERA	18840	18640	18740	18890	18990	19140	Reversal
TURMERIC	6596	6382	6490	6570	6678	6758	Up
SOYBEAN	3346	3289	3318	3341	3370	3393	Reversal
RM SEED	4049	3985	4017	4035	4067	4085	Down
GUAR SEED	4420	4373	4396	4414	4437	4455	Up

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1243.77	-0.37
LONDON SPOT SILVER	\$14.54	-0.55
NYMEX CRUDE OIL	\$52.00	-0.59
NYMEX NATURAL GAS	\$4.447	+1.41

Economic Data

Data	Previous	Forecast	Time
PPI m/m	0.6%	0.0%	7:00pm

RECOMMENDATIONS

NICKEL

NICKEL DEC: TRADING RANGE 771.00 – 790.00



Wait for our intraday trading strategy.

JEERA

JEERA JAN: SELL AT 18900-18910 TP-18660 SL ABOVE 19060.



Jeera is giving indications of further correction on prices as the aromatic spice is bearish on weekly chart.

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