

Wednesday, 12 June 2019

News, Views & Statistics
Gold Prices Dip as Extended Relief Rally Dents Demand

Gold prices dipped for a second straight session after U.S. President Donald Trump's decision not to levy tariffs on Mexican imports hit demand for safe haven assets. The fact that China also announced fresh stimulus measures to support its economy also boosted risk appetite to the detriment of the precious metal, pushing it to a one-week low. Gold futures for August delivery on the Comex division of the New York Mercantile Exchange, fell \$1.95, or 0.2%, to \$1,327.35 a troy ounce by 9:50 AM ET (13:50 GMT). Trump's suspension of tariffs on Mexican goods this week broke an eight-day winning streak spurred by increasing speculation that the Fed will need to cut interest rates to support an economy weakened by trade-related disputes. Ole Hansen, head of commodity strategy at Saxo Bank, pointed out that net-long positions in gold had jumped by a record amount to a 14-month high. "With the wall of resistance between \$1,350 and \$1,390 per ounce yet to be broken, these recently established longs will be facing an anxious week," he said in a note released Tuesday. "Not least following the renewed rally in stocks and small rise in bond yields since Friday," he added. Despite a bout of profit-taking, gold did manage to bounce from an intraday low of \$1,323.65, its lowest level since June 4, after U.S. inflation data was released on Tuesday. Producer prices rose slightly in May on a month-on-month basis, reflecting minimal inflation pressure and strengthening arguments that the Fed has room to cut rates. Consumer price data will be released on Wednesday. Although no changes are expected to interest rates at next week's monetary policy meeting, fed funds futures price the probability of a quarter-point cut in July at nearly 80%. In other metals trading, silver futures rose 0.4% to \$14.693 a troy ounce by 9:52 AM ET (13:52 GMT). Palladium futures gained 0.1% at \$1,388.35 an ounce, while sister metal platinum traded up 1.1% at \$813.70

Maharashtra Sugar production may fall 39.2% on drought

Sugar production in Maharashtra, the country's second-biggest producer, is likely to decline by 39.2% year-on-year in 2019/20 to 6.5 million tons because of a drought-hit cane crop, top official of the Maharashtra Sugar Commissioner ate said. The ongoing drought situation in the state could see cane acreage shrink by at least 28% to 8.43 lakh hectares for the 2019-20 seasons, against 11.62 lakh hectares in 2018-19, the official said. Maharashtra received 23% less rainfall than normal during the June-September monsoon season in 2018, state government data shows. Maharashtra produced a record 10.7 million tons of sugar in 2018-19.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	36739	36321	36530	36679	36888	37037	Up
GOLD	32640	32391	32516	32610	32735	32829	Up
CRUDE OIL	3721	3664	3693	3724	3753	3784	Down
COPPER	410.20	405.90	408.00	411.70	413.80	417.50	Down
NATURAL GAS	166.20	161.40	163.80	165.10	167.50	168.80	Down
JEERA	17615	17255	17435	17555	17735	17855	Up
TURMERIC	6710	6410	6560	6670	6820	6930	Up
SOYBEAN	3642	3599	3620	3643	3664	3687	Down
RM SEED	3898	3859	3879	3894	3914	3929	Sideways
GUAR SEED	4210	4111	4161	4189	4239	4267	Down

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1328.07	-0.03
LONDON SPOT SILVER	\$14.75	+0.55
NYMEX CRUDE OIL	\$53.55	-0.06
NYMEX NATURAL GAS	\$2.408	+0.84

Economic Data

Data	Previous	Forecast	Time
CPI m/m	0.3%	0.1%	6:00pm
Core CPI m/m	0.1%	0.2%	-
Crude Oil Inv.	6.8M	-	8:00pm

RECOMMENDATIONS

COPPER

COPPER JUNE: SELL AT 411.00-411.20 TP-405.50 SL ABOVE 414.80.

COPPER 1st(MXCOPC1)2019/06/11 - Daily B:410.25 A:410.30
O 410.70 H 415.30 L 409.50 C 410.30 V 42,017 T 17,329,801 I 26,833 -0.05 -0.01%



Copper turned back on the bearish track in yesterday's second half after breaking above resistance level during first half.

DHANIYA

DHANIYA JULY: BUY AT 6950-6940 TP-7075 SL BELOW 6870.

CORIANDER 1907(NCCODN9)2019/06/11 - Daily B:7012.00 A:7025.00
O 6885.00 H 7051.00 L 6760.00 C 7022.00 V 13,170 129,800 +129 +1.87%



Dhaniya bounced back sharply yesterday after scoring fresh weekly lows in the first half. The rounded seed spice ended the day in a long legged candlestick.

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