

Friday, 12 October 2018

News, Views & Statistics
OPEC says oil market well supplied, wary of 2019 surplus

OPEC sees the oil market as well supplied and is wary of creating a glut next year, the group's secretary-general said on Thursday, suggesting producers are in no rush to expand a June agreement that raises output. Oil prices have rallied this year on expectations that U.S. sanctions on Iran will strain supplies by lowering shipments from OPEC's third-largest oil producer. Brent crude (LCOc1) last week reached \$86.74, the highest since 2014. OPEC Secretary-General Mohammad Barkindo, speaking at the Oil & Money conference in London, said there were many non-fundamental factors influencing the oil market that were beyond oil producers' control. "The market has been reacting to perceptions of a possible supply shortage. The market remains well supplied," he told a briefing. "The projections for 2019 clearly show a possible rebuild of stocks," he said of the supply and demand balance for next year. OPEC separately updated its oil supply and demand forecasts on Thursday, cutting demand estimates for next year due to economic challenges such as trade disputes and volatile emerging markets, and pointing to excess supply. One of the factors boosting prices, according to analysts and some members of the OPEC, has been the decision by U.S. President Donald Trump to reimpose sanctions on Iran. Trump has demanded that OPEC cool prices by pumping more oil. Barkindo, asked whether Trump's criticism of OPEC was unfair, said: "The market is currently being largely driven by decisions taken elsewhere - outside OPEC, outside non-OPEC." OPEC and allied producers - not including the United States - agreed in June to return to 100 percent compliance with output cuts that began in January 2017, after months of underproduction in Venezuela and elsewhere pushed adherence above 160 percent.

India's Jeera crop may shrink by 25% due to water scarcity

Water shortage in the major growing regions will reduce jeera crop sowing by about 25% from last year's 7.80 lakh hectares in 2017-18, industry sources said. The jeera growing regions of Saurashtra and Kutch in Gujarat - the largest grower of the spice - are facing a rainfall deficit in the range of 28-75 per cent, while rainfall deficit in western and southern Rajasthan stands at about 23 per cent. The depreciating rupee and crop damage in competing countries - Turkey and Syria - are creating a positive export scenario, but water shortage in the major growing regions of Gujarat and Rajasthan is casting a shadow on these prospects. Market estimates put exports at about 1.25 lakh tons so far this year and there is a possibility of it touching a record 1.75 lakh tons by the end of this fiscal. The highest export volume was recorded at 1.55 lakh tons in 2014. Following the robust exports, the carryover stock is expected to be negligible for the new season, which starts from February 2019.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	38900	38160	38530	38785	39155	39410	Down
GOLD	31974	31223	31599	31806	32182	32389	Up
CRUDE OIL	5258	51560	5207	5304	5355	5452	Up
COPPER	459.55	442.20	450.90	456.20	464.90	470.20	Sideways
NATURAL GAS	239.10	227.6	233.40	239.00	244.80	250.40	Up
JEERA	19500	19170	19335	19430	19595	19690	Down
TURMERIC	6618	6542	6580	6640	6680	6738	Sideways
SOYBEAN	3212	3189	3201	3207	3219	3225	Down
RM SEED	4148	4119	4134	4141	4156	4163	Down
GUAR SEED	4243.5	4214	4229	4254	4269	4294	Up

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1224	+2.47
LONDON SPOT SILVER	\$14.57	+1.96
NYMEX CRUDE OIL	\$71.18	-1.92
NYMEX NATURAL GAS	\$3.220	-1.62

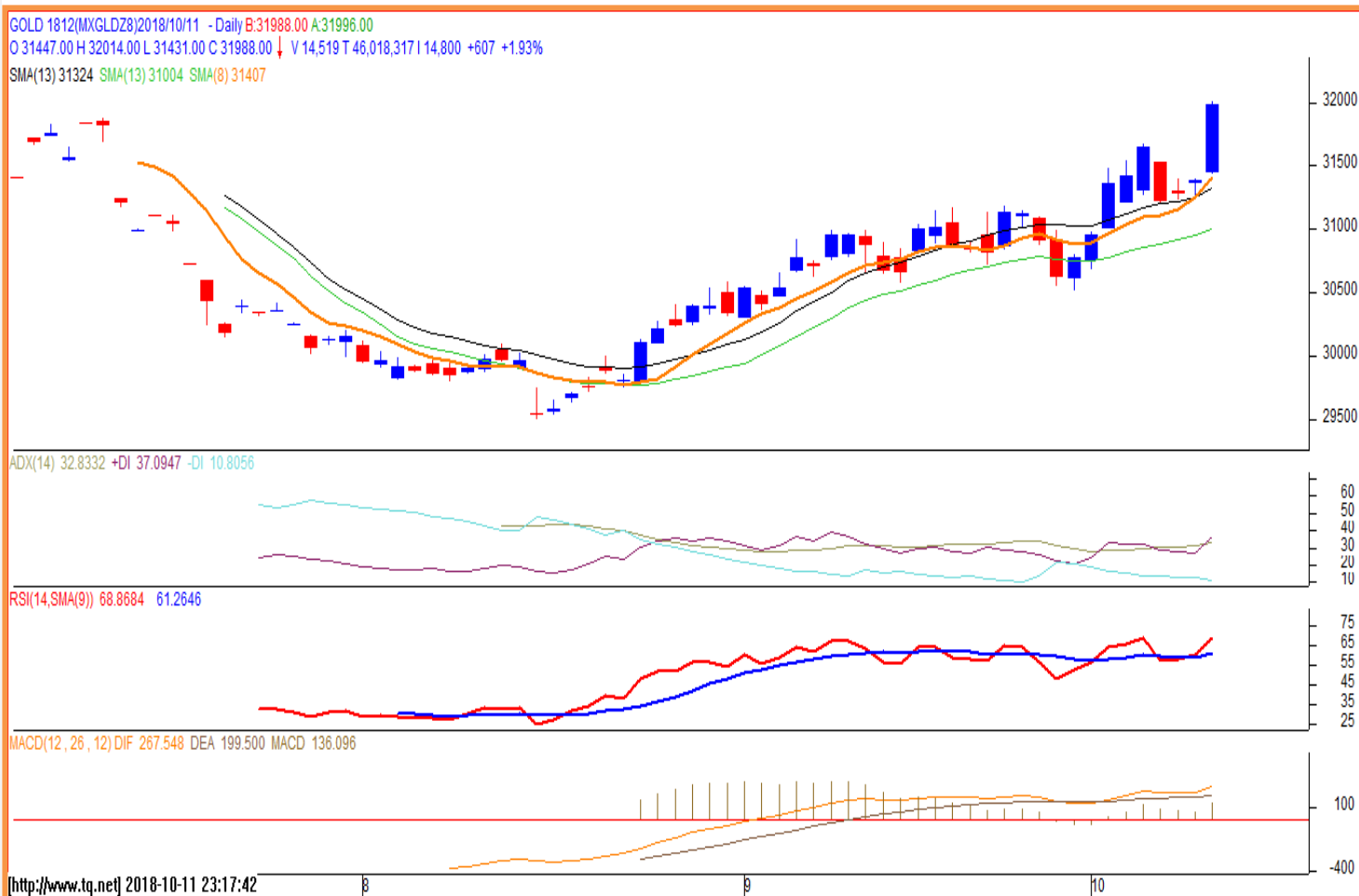
Economic Data

Data	Previous	Forecast	Time
No major release	-	-	-

RECOMMENDATIONS

GOLD

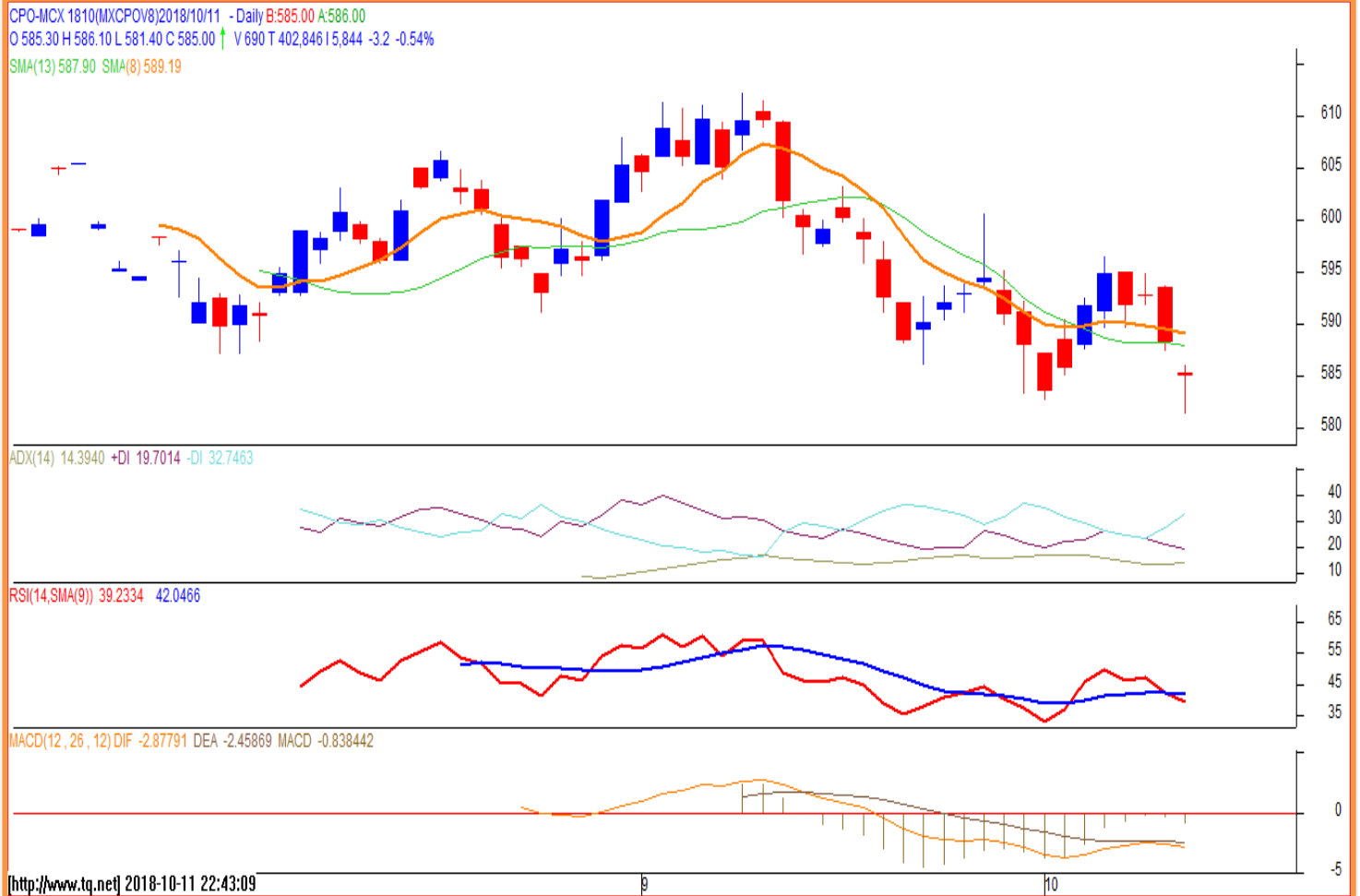
GOLD DEC: BUY AT 31850-31840 TP-31990/32111 SL BELOW 31750.



After showing a sluggish trend in last few days, Gold finally broke above the crucial resistance of \$1200. The breakout is likely to take prices to a higher range of \$1300.

CPO

CPO OCT: TRADING RANGE 581.00 – 588.00.



Wait for our intraday trading strategy.

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