

Wednesday, 13 February 2019

News, Views & Statistics
OPEC cuts oil supply steeply but sees growing 2019 headwinds

OPEC said on Tuesday it had cut oil production steeply under a global supply deal, although it flagged headwinds confronting its efforts to prevent a glut this year including weaker demand and higher rival output. In a monthly report, OPEC said its oil output fell almost by 8 million bpd in January to 30.81 million bpd. That is still slightly more than the expected 2019 demand for OPEC crude, which the producer group lowered to 30.59 million bpd. Worried by a drop in oil prices and rising supplies, the OPEC Countries and its allies including Russia agreed in December to return to supply cuts. OPEC is lowering output by 8 million bpd from Jan. 1. In the report, OPEC cut its forecast for 2019 world economic growth by 0.2 percentage point to 3.3 percent and highlighted a range of headwinds, including a slowdown in global trade. "Some recent positive developments could support the global economy at its current level, including the recovery in oil prices, possible progress in U.S.-China trade negotiations and less-ambitious monetary tightening by the U.S. Fed Reserve," OPEC said in the report. "Nevertheless, this would not lift the global economy beyond the growth forecast." With the supply cut delivered in January, OPEC has achieved 86 percent compliance with pledged reductions, a high rate by OPEC's past standards. This rate could rise in coming months as top exporter and OPEC kingpin Saudi Arabia voluntarily lowers supply by more than it agreed. Saudi Arabia plans to pump around 9.8 million bpd in March, more than 500,000 bpd below its target under the deal, its energy minister told the Financial Times. World oil demand will grow more slowly this year, OPEC said, and non-OPEC production will rise more rapidly than expected. OPEC forecast global oil demand would grow by 1.24 million bpd, down 50,000 bpd from last month and weaker than 1.47 million in 2018.

AP suspends licence of top HT Cotton seed firms

The issue of illegal sowing of herbicide-tolerant Cotton has surfaced again with the Andhra Pradesh government cancelling the licence of one seed company, while suspending licence of 13 other companies for one year. Reports from Telangana and AP had indicated that 20-30 per cent of the total Cotton acreage last year was under the illegal HT Cotton. The Andhra Pradesh government, which was among the first States to act against the illegal spread of the HT Cottonseeds last year, has noticed a similar activity this year, triggering action on the errant firms. The herbicide-tolerant Cottonseed technology has not yet received permission from the GEAC the apex Central government agency that receives and considers applications from agri-biotech companies on new technologies and traits. Despite the technology not getting GEAC's approval and restrictions on Glypho sate, farmers get HT seeds from unscrupulous sources.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	39472	39092	39282	39616	39806	40140	Up
GOLD	32820	32641	32730	32903	32992	33165	Up
CRUDE OIL	3781	3683	3732	3778	3827	3873	Up
COPPER	432.70	425.40	429.00	434.30	438.00	443.30	Down
NATURAL GAS	189.30	183.60	186.50	188.80	191.70	194.00	Down
JEERA	15610	15320	15465	15545	15690	15770	Down
TURMERIC	6334	6284	6310	6342	6368	6400	Down
SOYBEAN	3745	3681	3713	3733	3765	3785	Up
RM SEED	3918	3898	3908	3922	3932	3946	Up
GUAR SEED	4245	4199	4222	4238	4261	4277	Up

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1309.54	+0.11
LONDON SPOT SILVER	\$15.68	-0.06
NYMEX CRUDE OIL	\$53.45	+1.93
NYMEX NATURAL GAS	\$2.673	+1.10

Economic Data

Data	Previous	Forecast	Time
CPI m/m	-0.1%	0.1%	7:00pm
Core CPI m/m	0.2%	0.2%	-
Crude Oil Inv	-	-	9:00pm

RECOMMENDATIONS

CRUDE OIL

CRUDE OIL FEB: BUY AT 3772-3770 TP-3833 SL BELOW 3729.



After consolidating in a range, Crude oil is giving signals of a short lived relief rally that may last till current contract expiry.

KAPAS

KAPAS APR: TRADING RANGE 1110 - 1135.



Wait for our intraday trading strategy.

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