

Thursday, 13 June 2019

**News, Views & Statistics**
**Oil Prices Plummet as U.S. Inventories Reflect Weak Demand**

U.S. crude oil inventories rose unexpectedly last week, providing additional signs of weak demand, according to official data released on Wednesday. The Energy Information Administration said in its regular weekly report that crude oil inventories increased by 2.21 million barrels in the week to June 7. That was compared to forecasts for a stockpile draw of 0.48 million barrels after a surge of 6.77 million barrels in the previous week. The EIA report also showed that gasoline inventories increased by 0.76 million barrels, compared to expectations for a gain of 0.74 million barrels, although distillate stockpiles fell unexpectedly by 1 million barrels, compared to forecasts for a build of 1.14 million. "Another week and another build in crude and gasoline stockpiles," Investing.com senior commodity analyst Barani Krishnan commented after the report. "Mind you, we're already into June and despite refinery runs at above 93% and getting nearer to the 95% norm for this time of year, we're just not seeing the sort of fuel demand we should be getting." Krishnan noted that, notwithstanding the draw in distillates, total petroleum inventories surged by 9.3 million barrels. "This is another woeful data sheet hardly reflective of the peak season for oil demand," he concluded. U.S. crude prices plummeted following the release, hitting an intraday low of \$51.95. Although recovering a portion of those losses, it was still down 2.5% at \$51.95 a barrel by 10:53 AM, compared to \$52.10 prior to the publication. London-traded Brent crude futures slumped 2.0% to \$61.07 a barrel, recovering from an intraday low of \$60.31 in a knee-jerk reaction to the data. Oil prices were already registering sharp declines of around 2% ahead of the data on signs that a weakening global economy was pushing growth in demand for oil to its lowest in years. The EIA already cut its forecasts for 2019 world oil demand growth on Tuesday, while analysts have also been downbeat on the outlook.

**Malaysia end-May Palm Oil stocks fall 10.3% to 2.45 MT: MPOB**

Malaysia's palm oil stockpiles at the end of May dropped 10.3% from the previous month to 2.45 million tons, industry regulator the Malaysian Palm Oil Board (MPOB) said. It was the third straight month of inventory declines and took stocks to their lowest levels since July 2018. Palm oil production rose slightly in May by 1.3% on a month earlier to 1.67 million tons, taking production to its highest for the month of May in four years. Exports rose for a third month in a row in May, up 3.5% from April to 1.71 million tons, the MPOB data showed.

COMMODITY	CLOSE (Till 9:30PM)	S2	S1	PIVOT	R1	R2	TREND
SILVER	36811	36606	36708	36834	36936	37062	Up
GOLD	32773	32591	32682	32765	32856	32939	Up
CRUDE OIL	3593	3502	3547	3618	3663	3734	Down
COPPER	408.30	403.10	405.70	407.90	410.50	412.80	Down
NATURAL GAS	165.70	163.90	164.80	166.10	167.00	168.30	Down
JEERA	17720	17285	17505	17740	17960	18195	Up
TURMERIC	6756	6672	6714	6750	6792	6828	Up
SOYBEAN	3662	3614	3638	3653	3677	3692	Down
RM SEED	3924	3887	3905	3915	3933	3943	Sideways
GUAR SEED	4239	4190	4214	4230	4254	4270	Down

### International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1335.05	+0.21
LONDON SPOT SILVER	\$14.79	+0.14
NYMEX CRUDE OIL	\$51.67	-3.56
NYMEX NATURAL GAS	\$2.394	-0.66

### Economic Data

Data	Previous	Forecast	Time
Jobless claim	218K	215K	6:00pm
NG Inv.	119B	-	8:00pm

### RECOMMENDATIONS

#### NICKEL

**NICKEL JUNE: BUY ABOVE 871 TP-888 SL BELOW 859.**



Nickel is giving indications of a short term reversal from here as the distant cousin of silver is looking strong on weekly chart.

## RMSEED

**RM SEED JULY: BUY AT 3910-3908 TP-3957 SL BELOW 3875.**

RMSEED 1907(NCRMDN9)2019/06/12 - Daily B:3918.00 A:3924.00  
O 3904.00 H 3924.00 L 3896.00 C 3924.00 V 14,720 I 0 +20 +0.51%



RM SEED bounced back yesterday in a follow up to Tuesday's rise. The rally is likely to continue today as well.

**Disclaimer:** This document has been prepared by Arihant Capital Markets Limited (hereinafter called as Arihant) and its subsidiaries and associated companies. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. Receipt and review of this document constitutes your agreement not to circulate, redistribute, retransmit or disclose to others the contents, opinions, conclusion, or information contained herein. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this material may not be suitable for all investors. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material. Arihant Capital Markets Ltd (including its affiliates) or its officers, directors, personnel and employees, including persons involved in the preparation or issuance of this material may; (a) from time to time, have positions in, and buy or sell or (b) be engaged in any other transaction and earn brokerage or other compensation in the financial instruments/products discussed herein or act as advisor or lender/borrower in respect of such securities/financial instruments/products or have other potential conflict of interest with respect to any recommendation and related information and opinions. The said persons may have acted upon and/or in a manner contradictory with the information contained here and may have a position or be otherwise interested in the investment referred to in this document before its publication. The user of this report assumes the entire risk of any use made of this data / Report. Arihant especially states that it has no financial liability, whatsoever, to the users of this Report.

**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)

RCH-CMB-