

Wednesday, 15 May 2019

News, Views & Statistics

Oil Rises as Saudi Oil Attacked Again

Saudi Arabia reported attacks against its oil industry for a second day in a row Tuesday, but instead of heightened trade war fears to depress the market, U.S. President Donald Trump said he could have a "very fruitful meeting" at the G20 next month with his Chinese counterpart Xi Jinping. Trump's assuring words, and a triple-digit rebound for Wall Street's Dow after Monday's shock selloff, were enough to put the bulls in charge of Tuesday's action in oil. West Texas Intermediate futures, the benchmark for U.S. crude, were up 89 cents, or 1.5%, at \$61.93 per barrel by 11:35 AM ET (15:35 GMT) after a session high at \$62.09. It fell 1% in the previous session after rallying as much as 2.7%. London Brent futures, the global benchmark for oil, rose by \$1.13, or 1.6%, to \$71.36. Brent also had a roller-coaster ride on Monday, rising 2.8% at one point before settling down 0.7%. Unidentified drones attacked two pumping stations belonging to Saudi Aramco, the state oil company of Saudi Arabia, forcing it to suspend some operations to assess the damage, the government in Riyadh announced Tuesday. The attacks were reported on the heels of Monday's announcement that two Saudi oil tankers were hit and substantially damaged while heading toward the Strait of Hormuz, the world's most important chokepoint for oil shipments. The United Arab Emirates added to Monday's tensions by saying four of its own tankers in the Gulf had been targeted at the weekend. Neither Saudi Arabia nor the U.A.E., however, said exactly what happened to the vessels. With no party claiming responsibility then – and no details of case specifics either that could identify potential culprits – the market quickly took a pass on the story, focusing on news of higher Chinese tariffs on U.S. goods that ultimately drove oil prices lower after their early rally.

Indonesia Palm Oil production forecast to rise in 2019/20 on area expansion

The USDA estimates Indonesia's 2019/20 palm oil production at 43.0 million tons, up 1.5 million (4 percent) from last year. The year-to-year production increase is attributed mainly to area expansion as yield is expected to be slightly down from 2018/19, it said in its latest sector report. "Mature palm area is forecast at 11.8 million hectares, up 4% from 2018/19. Annual yield growth has been significant following the 2015/16 El Nino event where dry weather negatively impacted yields in both Sumatra and Kalimantan—yield from 2015/16 to 2018/19 increased by 17 percent," the reports said. Yield for 2019/20, however, is forecast at 3.66 tons per hectare down, slightly from last year due to a significant decline in crude palm oil prices during the last quarter of 2018/19 as both large- and small-holder plantations reduced fertilizer applications.

| COMMODITY | CLOSE | S2 | S1 | PIVOT | R1 | R2 | TREND |
|-------------|--------|--------|--------|--------|--------|--------|----------|
| SILVER | 37505 | 37262 | 37383 | 37573 | 37694 | 37884 | Up |
| GOLD | 32247 | 32088 | 32167 | 32311 | 32390 | 32534 | Up |
| CRUDE OIL | 4345 | 4232 | 4288 | 4333 | 4389 | 4434 | Up |
| COPPER | 426.35 | 422.60 | 424.50 | 426.70 | 428.60 | 430.80 | Down |
| NATURAL GAS | 187.20 | 184.50 | 185.80 | 187.30 | 188.60 | 190.10 | Down |
| JEERA | 17530 | 17280 | 17405 | 17620 | 17745 | 17960 | Up |
| TURMERIC | 6720 | 6626 | 6674 | 6730 | 6778 | 6834 | Up |
| SOYBEAN | 3774 | 3672 | 3723 | 3756 | 3807 | 3840 | Sideways |
| RM SEED | 3893 | 3852 | 3873 | 3896 | 3917 | 3940 | Sideways |
| GUAR SEED | 4475 | 4444 | 4460 | 4487 | 4502 | 4529 | Down |

International Markets

| COMMODITY | CLOSE | % CHANGE |
|--------------------|-----------|----------|
| LONDON SPOT GOLD | \$1294.70 | -0.34 |
| LONDON SPOT SILVER | \$14.78 | -0.07 |
| NYMEX CRUDE OIL | \$61.79 | +0.93 |
| NYMEX NATURAL GAS | \$2.673 | +0.64 |

Economic Data

| Data | Previous | Forecast | Time |
|-------------------|----------|----------|--------|
| Core Retail Sales | 1.2% | 0.7% | 6:00pm |
| Retail Sales m/m | 1.6% | 0.2% | - |
| Crude Oil Inv. | - | -4.0M | 8:00pm |

RECOMMENDATIONS

CRUDE OIL

CRUDE OIL MAY: SELL BELOW 4330 TP-4273 SL ABOVE 4369.

CRUDEOIL 1905(MXCROK9)2019/05/14 - Daily B:4350.00 A:4351.00
O 4325.00 H 4377.00 L 4276.00 C 4350.00 V 227,565 T 98,590,028 I 16,065 +38 +0.88%



After a huge fall witnessed a day before, crude oil traded in both directions after a flat opening. However, it is clear that crude is facing sharp sell-off on every rise.

CPO

CPO MAY: BUY AT 724.50-724.40 TP-728.10/730.60 SL BELOW 722.00.

CPO-MCX 1905(MXCPOK9)2019/05/14 - Daily B:526.30 A:526.50
O 521.00 H 526.50 L 521.00 C 526.20 V 1,320 T 691,966 I 4,175 +5.8 +1.11%



CPO bounced back strongly yesterday, thus giving the bulls some reason to cheer after a series of bearish candlesticks on daily chart. Buy on small dips.

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Contact

SMS: 'Arihant' to 56677

Websitewww.arihantcapital.com**Email Id**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

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