

Friday, 18 January 2019

News, Views & Statistics
Oil Prices Tumble 2% as U.S. Crude Output Hits All-Time High

Oil prices tumbled on Thursday, as news of U.S. crude production rising to an all-time high added to worries of a new glut forming. U.S. WTI crude futures for February delivery on the New York Mercantile Exchange fell \$1.15, or around 2.2%, to \$51.16 a barrel by 8:20AM ET. Elsewhere, Brent oil for March delivery on the ICE (NYSE:ICE) Futures Exchange in London slumped \$1.16, or about 1.9%, to \$60.16 a barrel. Prices weakened after the U.S. EIA reported Wednesday that U.S. crude oil production reached a record 11.9 million barrels per day in the week ending Jan. 11, up from 11.7 million bpd a week earlier. That increase threatens to nullify most of the effect of output cuts led by OPEC and Russia that were announced at the end of last year. OPEC's monthly report released earlier suggested that output from outside the group - notably from U.S. shale operators - will rise so much this year that the production cuts OPEC agreed recently with Russia and others will scarcely be enough to keep the global market in balance. OPEC's own oil output fell by 751,000 bpd to 31.6 million bpd in December, driven by a large decline in Saudi output and by supply disruptions in Libya and Iran. Worries over a global economic slowdown, which some analysts believe will turn into a recession, also weighed on prices Thursday. In other energy trading, gasoline futures sank 2% to \$1.387 a gallon after another sharp rise in U.S. stocks, caused in part by shutdowns to Mexican import pipelines.

Palm falls on weaker overnight U.S. soy oil, crude oil prices

Malaysian palm oil futures edged down on Wednesday, though remaining range-bound, tracking weakness in soy oil overnight on the U.S. CBOT and crude oil prices. The benchmark palm oil contract for April delivery on the BMD Exchange was down 0.4% at 2,175 ringgit (US\$529.45) a ton at the close of trade. Trading volumes stood at 31,538 lots of 25 tons each at the end of the trading day. "Palm is down tracking overnight losses in the CBOT and lower crude oil," said a Kuala Lumpur-based trader. U.S. soybean futures fell for the third time in four sessions on Tuesday, on worries the U.S. and China remain far apart in resolving a bitter trade dispute that has slashed U.S. soy imports by the world's top buyer. The Chicago March soybean oil contract was last up 0.3%. Palm oil prices are impacted by price movements of soy oil, as they compete for a share in the global vegetable oil market. The edible oil is also affected by crude oil prices, as it is used as feedstock to make biodiesel. U.S. oil prices inched lower on Wednesday after gains of more 3% in the previous session, pressured by concerns over the outlook for the global economy. In other related oils, the May soybean oil contract on the DCE fell 0.1%, while the Dalian January palm oil contract declined 0.5%. Palm oil may fall into a range of 2,103-2,121 ringgit per ton.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	39388	39091	39239	39485	39633	39879	Up
GOLD	32250	32097	32173	32282	32358	32467	Up
CRUDE OIL	3692	3593	3643	3680	3730	3767	Reversal
COPPER	423.35	417.40	420.40	422.40	425.40	427.40	Down
NATURAL GAS	249.50	235.10	242.30	248.90	256.10	262.70	Down
JEERA	17065	16835	16950	17015	17130	17195	Down
TURMERIC	6528	6400	6464	6526	6592	6654	Down
SOYBEAN	3755	3636	3695	3728	3787	3820	Up
RM SEED	3868	3815	3842	3858	3885	3901	Up
GUAR SEED	4382	4267	4325	4356	4413	4444	Down

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1291.52	-0.15
LONDON SPOT SILVER	\$15.51	-0.45
NYMEX CRUDE OIL	\$51.81	-0.99
NYMEX NATURAL GAS	\$3.500	+2.82

Economic Data

Data	Previous	Forecast	Time
No major release	-	-	-

RECOMMENDATIONS

NG

NG JAN: TRADING RANGE 462.50 – 238.50.



Wait for our intraday trading strategy.

SOYBEAN

SOYBEAN FEB: TRADING RANGE 3720 – 3810.



Wait for our intraday trading strategy.

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