

Tuesday, 18 December 2018

News, Views & Statistics
Oil steady but oversupply, economic growth weigh

Unplanned supply losses from members Iran and Venezuela could effectively double the intended cutback of 800,000 Oil prices steadied on Monday after slipping by around 2 percent last week, but remained under pressure from oversupply and concern over the prospects for global economic growth and fuel demand. Brent crude oil (LCOc1) was unchanged at \$60.28 per barrel by 0845 GMT. U.S. light crude (CLc1) was unchanged at \$51.20. Both benchmarks fell more than 25 percent through October and November as a supply glut inflated global inventories but have stabilized over the last three weeks, trading within fairly narrow ranges as oil producers have promised to cut production. "The market continues range-bound, hemmed in by well tested support and ...resistances," said Robin Bieber, technical analyst at London brokerage PVM Oil. Some investors doubt whether planned supply cuts by the Organization of the Petroleum Exporting Countries and other producers such as Russia will be enough to rebalance markets. U.S. shale output is growing steadily, taking market share from the big Middle East oil producers in OPEC and making it harder for them to balance their budgets. "I don't believe OPEC cuts will work this time around with Qatar going out and Iran refusing to cut, while there's a big question mark when Russia will go to its agreed level," said Sukrit Vijayakar, director of oil consultancy Trifecta. "Meanwhile, U.S. production will go on increasing." OPEC and its allies have agreed to reduce output by 1.2 million bpd from January, in a move to be reviewed at a meeting in April. Qatar said on Dec. 3 it would leave OPEC to focus on gas.

India's Soybean production may fall to 11.3 MT in 2018-19: USDA

The USDA has revised down India's soybean production estimate for marketing year (MY) 2018/19 (Oct-Sept) to 11.3 million tons to indicate slightly lower than expected area planted to beans; yield estimates remain unchanged. Considering the national average yield estimate of 1.03 tons per hectare (unchanged), total soybean production is now revised down from 11.5 million tons to 11.3 million tons, USDA said in its latest report. Peanut production is revised from 6 million tons to 5.1 million tons on poor yield projections from Gujarat. Oil meal exports for last year settled at 2.4 million tons, while edible oil imports dropped 4 percent to 14.5 million tons. The most recent progressive planting report for winter crops indicate that rapeseed and mustard planting is actually trailing behind last year's level spite an early start for planting.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	38110	37834	37972	38043	38181	38252	Up
GOLD	31584	31341	31463	31532	31654	31723	Up
CRUDE OIL	3605	3483	3544	3637	3698	3791	Reversal
COPPER	438.70	431.10	434.90	437.90	441.70	444.60	Down
NATURAL GAS	255.70	246.70	251.20	259.60	264.10	272.50	Up
JEERA	18400	18180	18290	18465	18575	18750	Reversal
TURMERIC	6740	6526	6634	6816	6924	7106	Up
SOYBEAN	3368	3340	3354	3373	3387	3406	Reversal
RM SEED	3987	3959	3973	3999	4013	4039	Down
GUAR SEED	4418	4373	4395	4426	4448	4479	Up

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1245.40	+0.58
LONDON SPOT SILVER	\$14.66	+1.45
NYMEX CRUDE OIL	\$50.75	-0.70
NYMEX NATURAL GAS	\$3.481	-6.40

Economic Data

Data	Previous	Forecast	Time
Building Permits	1.26M	1.27M	7:00pm

RECOMMENDATIONS

ALUMINIUM

ALUMINIUM DEC: BUY AT 138.30-138.25 TP-138.45/140.50 SL BELOW 137.50.



Aluminium upped the quotient in base metals segment as it successfully tried to come out of blues with a bullish candlestick. Buy on dips.

JEERA

JEERA JAN: SELL AT 18460-18470 TP-18250/18090 SL ABOVE 18610.



Jeera continued the downtrend yesterday as it finished the proceedings in yet another bearish candlestick.

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