

Thursday, 20 December 2018

News, Views & Statistics

U.S. shale output growth should offset OPEC cuts in 2019

Surging U.S. crude oil production will offset OPEC's output cuts aimed at rebalancing the market as soon as the end of next year - undercutting the group's efforts as shale producer's ramp up output regardless of the price environment, forecasts show. U.S. oil production in the most recent week was 11.6 million bpd a day, just off the all-time record of 11.7 million bpd, the U.S. Energy Information Administration said Wednesday. If production expands at the rate that the EIA has forecast, it will effectively eat up OPEC's cuts by the end of 2019. [EIA/S] The Organization of the Petroleum Exporting Countries and allies including Russia agreed to sweeping cuts of 1.2 million bpd earlier in December, with non-OPEC allies contributing 400,000 bpd of that reduction. That is equivalent to the 1.18 million bpd in additional production the United States is expected to add next year, the U.S. Energy Information Administration said last week, due to growth in shale early in 2019 and in several long-awaited offshore projects set to come online late in the year. Concerns about oversupply have hit oil prices hard in the last two months, with the price of U.S. crude slumping to \$46 a barrel on Tuesday from a peak at more than \$76 a barrel in October. U.S. oil production last year soared past an output record of 10 million bpd set in 1970. With advances in technology including hydraulic fracturing, known as fracking, the United States surged to become the world's largest crude producer, and output is now expected to exceed 12 million bpd in the next several months. "Relative to how big this looming supply tsunami is, [the OPEC cut] is not nearly enough to prevent big inventory builds next year,"

India struggling to meet its Sugar export target

Centre has threatened action against exporters because the country may miss the export target of 5 million tons by a wide margin. Traders have managed to ship only 179,000 tons for the October-December quarter while 80,000 tons are at various ports awaiting the loading operation. This would mean the maximum possible exports for the quarter would be 260,000 tons, against the total 600,000 tons the exporters have contracted for, the report said. The domestic inventory has 10 million tons of carryover stocks while an additional 31.5 million tons of current year's output is expected. A domestic consumption of 25.5 million tons is inadequate to reduce the stocks. India is already facing international heat over what other Sugar exporting nations call market-distorting subsidies causing a global price slump. Australia and Brazil have approached the World Trade Organization against India over the Sugar subsidies. India, however, contends the subsidies were a domestic relief measure for supporting farmers and is not affect the prices.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	37684	37165	37425	37627	37887	38089	Up
GOLD	31224	30931	31077	31211	31357	31491	Up
CRUDE OIL	3400	3222	3311	3364	3453	3506	Reversal
COPPER	423.35	415.20	419.30	421.80	425.90	428.50	Down
NATURAL GAS	254.70	237.30	246.00	259.60	268.30	281.90	Up
JEERA	18080	176345	17860	18050	18275	18465	Reversal
TURMERIC	6758	6696	6728	6762	6794	6828	Up
SOYBEAN	3363	3322	3343	3362	3383	3402	Reversal
RM SEED	3974	3898	3936	3968	4006	4038	Down
GUAR SEED	4297	4174	4235	4272	4333	4370	Up

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1252.73	+0.27
LONDON SPOT SILVER	\$14.76	+0.89
NYMEX CRUDE OIL	\$48.06	+3.98
NYMEX NATURAL GAS	\$3.311	-11.35

Economic Data

Data	Previous	Forecast	Time
Jobless Claims	206K	219K	7:00pm
NG inv.	-77B	-	9:00pm

RECOMMENDATIONS

COPPER

COPPER FEB: TRADING RANGE 415.50 – 428.50.



Wait for our intraday trading strategy.

GUARSEED

GUARSEED JAN: TRADING RANGE 4260 -4370.



Wait for our intraday trading strategy.

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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: 0731-4217103

Corporate 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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