

Thursday, 22 November 2018

**News, Views & Statistics**
**Oil Prices Plunge Further into Bear Market as Effectiveness of OPEC Cut Questioned**

U.S. crude oil inventories rose more than expected last week, paring earlier price gains as the larger-than-forecast build reinforced concerns of oversupply. The EIA data showed that crude oil inventories increased by 4.85 million barrels in the week to Nov. 16. That was compared to forecasts for a stockpile build of 2.50 million barrels, after a build of 10.27 million barrels in the previous week. The EIA report also showed that gasoline inventories fell by 1.30 million barrels, compared to expectations for a draw of 0.2 million barrels, while distillate stockpiles dropped by just 0.08 million barrels, compared to forecasts for a decrease of 2.75 million. U.S. crude prices were trading up 1.22% to \$54.08 a barrel by 10:36 AM ET (15:36 GMT), compared to \$54.50 prior to the publication. London-traded Brent crude futures were up 0.50% to \$62.84 a barrel, compared to \$63.34 ahead of the release. After a 7% slide the previous day, oil prices had already been bouncing back prior to the report after U.S. President Donald Trump said the U.S. remains a “steadfast partner” with Saudi Arabia despite the killing of journalist Jamal Khashoggi. On Tuesday, Trump released a statement in which he signaled that his administration would not take strong action against Saudi Arabia for the murder of journalist Jamal Khashoggi. After the US, Saudi Arabia is the largest oil producing nation in the world. They have worked closely with us and have been very responsive to my requests to keeping oil prices at reasonable levels – so important for the world,” Trump said in the statement. Reports cited Trump as saying outside the White House on the same day, “If we broke with them [Saudi Arabia], I think your oil prices would go through the roof.”

**Pulses, Cereals sowing down in 2018 rabi season**

Fall in prices of Coarse Cereals and Pulses in the kharif season have apparently made the farmers cautious of sowing these crops in the rabi season. While the overall rabi sowing itself is down 16% from the year-ago period as farmers face a cash crunch, acreage of Coarse Cereals by November 16 was almost half the level a year ago at 16.27 lakh hectares. At 69.95 lakh hectares, area under Pulses also remains 18% less than the level by this time in the last rabi sowing season. According to weekly data released by the agriculture ministry, sowing of Wheat, the main rabi Cereal, was also 5% lower at 51.63 lakh hectares by November 16. The area under Coarse Cereals such as Maize, Jowar and Barley also declined 45% at 16.27 lakh hectare. The sowing area under winter Rice too was down by 25% at 6.41 lakh hectare. Since kharif prices are lower, many farmers hold their crops expecting rates to go up. This reduces their purchasing power to buy inputs such as seeds and fertilizers for rabi sowing. The rabi sowing usually gets over by the end of December, a third of the sowing used to be completed by mid-November.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	36886	36307	36596	36806	37095	37305	Down
GOLD	30806	30639	30722	30809	30892	30979	Down
CRUDE OIL	3964	3790	3877	3932	4019	4074	Down
COPPER	437.60	432.00	434.80	437.90	440.70	443.70	Down
NATURAL GAS	331.40	307.80	319.60	332.20	344.00	356.60	Reversal
JEERA	19450	18910	19180	19635	19905	20360	Reversal
TURMERIC	6478	6374	6426	6482	6534	6590	Up
SOYBEAN	3414	3381	3397	3419	3435	3457	Reversal
RM SEED	4081	4032	4057	4077	4102	4122	Down
GUAR SEED	4411	4302	4357	4444	4499	4586	Up

### International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1225.89	+0.36
LONDON SPOT SILVER	\$14.49	+1.26
NYMEX CRUDE OIL	\$55.51	+3.80
NYMEX NATURAL GAS	\$4.519	+3.08

### Economic Data

Data	Previous	Forecast	Time
No major release	-	-	-

### RECOMMENDATIONS

#### NICKEL

**NICKEL NOV: TRADING RANGE 765.00 – 790.00.**



Wait for our intraday trading strategy.

# SOYBEAN

**SOYBEAN DEC: BUY ABOVE 3450 TP-3499 SL BELOW 3415.**



Soybean is indicating a turnaround in bulls' fortune in next few days. Any breakout above immediate resistance level is likely to bring in a relief rally.

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