

Thursday, 24 January 2019

News, Views & Statistics
Gold Prices Drop as Risk Appetite Returns

Gold prices dropped on Wednesday as investors opted to rotate out of the safe-haven asset in favor of stocks after a handful of Dow components reported better-than-expected quarterly earnings. At 9:06 AM ET (14:06 GMT), gold futures for February delivery on the Comex division of the New York Mercantile Exchange fell \$2.75, or 0.21%, to \$1,280.65 a troy ounce. After a 1% decline on Wall Street a day earlier, U.S. stocks bounced on Wednesday as blue-chips such as IBM (NYSE:IBM), Procter & Gamble (NYSE:PG) and United Technologies (NYSE:UTX) beat consensus earnings estimates, boosting risk sentiment and pushing gold lower. A firm dollar also placed downward pressure on the yellow metal as the U.S. dollar index held near three-week highs. A stronger greenback makes the dollar-denominated metal more expensive for holders of foreign currencies. Limiting losses in gold, investors remain cautious over global growth concerns as the trade spat between Washington and Beijing awaits a round of talks at the end of the month and little progress has been made in the U.K.'s negotiations to leave the European Union. "Nervousness around global growth and trade tensions is certainly a factor driving the markets right now," said Michael McCarthy, chief markets strategist at CMC Markets. In other metals trading, silver futures slipped 0.05% at \$15.318 a troy ounce by 9:07 AM ET (14:07 GMT).

Industry body urges govt. to remove Rapeseed Oil export curbs

The Solvent Extractors' Association of India (SEA) has urged government to permit exports of rapeseed oil or mustard oil in bulk without any restrictions of pack size. In the edible oil complex, it is only the rapeseed oil/mustard oil that is subjected to the condition of maximum pack size 5 kgs for exports. All the other vegetable oils are permitted to be freely exported irrespective of pack size, SEA said in a letter to the industry. It adversely affects the farm price of rapeseed/mustard seed and thus decreases the earning potential of rapeseed/mustard seed farmers, SEA said. The industry body also reiterates its demand to reconsider duty difference between crude palm oil and RBD palm lien. The notification issued late at night on 31st December has reduced the duty difference between CPO and palm lien from 10% to 5% on palm lien to be imported from Malaysia. However, this concession is not available to palm lien coming from Indonesia or any other ASEAN nation. This will result in a piquant position as the same oil will attract different duties from different origins. Terming the move as 'Make Abroad - Sell in India', SEA has noted that the decision has a potential of sounding the death knell of the domestic industry as large quantities of refined palm oil gets imported with reduced duty difference.

| COMMODITY | CLOSE | S2 | S1 | PIVOT | R1 | R2 | TREND |
|-------------|--------|--------|--------|--------|--------|--------|-------|
| SILVER | 39094 | 38725 | 38910 | 39114 | 39299 | 39503 | Down |
| GOLD | 32151 | 31982 | 32066 | 32142 | 32226 | 32302 | Down |
| CRUDE OIL | 3731 | 3628 | 3680 | 3759 | 3811 | 3890 | Up |
| COPPER | 419.15 | 415.80 | 417.50 | 420.30 | 422.00 | 424.80 | Down |
| NATURAL GAS | 216.10 | 207.60 | 211.80 | 219.10 | 223.30 | 230.60 | Down |
| JEERA | 16500 | 16070 | 16285 | 16675 | 16890 | 17280 | Down |
| TURMERIC | 6498 | 6366 | 6432 | 6508 | 6574 | 6650 | Down |
| SOYBEAN | 3790 | 3687 | 3738 | 3827 | 3878 | 3967 | Up |
| RM SEED | 3914 | 3887 | 3901 | 3919 | 3933 | 3951 | Up |
| GUAR SEED | 4389 | 4352 | 4370 | 4391 | 4410 | 4431 | Up |

International Markets

| COMMODITY | CLOSE | % CHANGE |
|--------------------|-----------|----------|
| LONDON SPOT GOLD | \$1284.85 | -0.01 |
| LONDON SPOT SILVER | \$15.35 | +0.13 |
| NYMEX CRUDE OIL | \$52.28 | -1.36 |
| NYMEX NATURAL GAS | \$3.023 | -1.24 |

Economic Data

| Data | Previous | Forecast | Time |
|----------------|----------|----------|--------|
| Jobless Claims | 213K | 212K | 7:00pm |
| NG Inv. | -81B | - | 9:00pm |
| Crude Oil Inv. | -2.7M | - | 9:30pm |

RECOMMENDATIONS

CRUDE OIL

CRUDE OIL FEB: TRADING RANGE 3660 – 3770.



Wait for our intraday trading strategy.

SOYBEAN

SOYBEAN MAR: BUY AT 3760-3755 TP-3809/3844 SL BELOW 3725.



A minor pull back was seen yesterday in soybean. However, the oilseed is strong on weekly chart and it is nearing positional buying levels.

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