

Friday, 24 May 2019

News, Views & Statistics
Oil Prices Hit 2-Month Low as Stockpiles Play to Trade War Fears

Crude oil prices fell sharply to their lowest since March on Thursday, as another surprisingly strong increase in U.S. stockpiles last week eased market fears about short-term supply risks, and let worries about the U.S. China trade war and its impact on longer-term demand to reassert themselves. At 9:45 AM ET (1345 GMT), U.S. WTI crude futures were down over \$2 a barrel, or 4.2%, at \$58.84, breaching the \$60 level for the first time since March 28. The international benchmark Brent blend traded down 3.5% at \$68.52 a barrel. The slide had already started late on Wednesday after the U.S. government revealed that crude inventories had risen by 4.74 million barrels, rather than the 600,000 barrel decline that had been expected. Stocks of gasoline and other distillates also rose, counter to expectations. The rout continued as more harsh rhetoric from China on trade, coupled with weaker-than-expected business surveys in Germany revived fears for the health of the global economy. The International Monetary Fund then rammed home the point with a blog arguing that "the latest escalation (of the U.S.-China trade war) could significantly dent business and financial market sentiment, disrupt global supply chains, and jeopardize the projected recovery in global growth in 2019." The Fund added that "Consumers in the US and China are unequivocally the losers," facing higher prices across the board for imported goods.

Chana, barley, wheat firm up on rising govt buys

New Delhi: Lower production and increased buying by the government and companies have led to prices of chana, barley and wheat firming up, analysts and traders has said. Chana and barley prices have increased almost 8 per cent, while wheat has increased 4 per cent in the past two months. The trade is expecting a further rise of 7 per cent in chana and barley and a 10 per cent increase in wheat in the next one month. "Wheat prices have been increasing owing to major buying by the FCI, millers, companies and traders. Another reason is the announcement by FCI that it will auction wheat under the open market sale scheme at Rs 2,080 per quintal and that every quarter the prices will increase by Rs 55 per quintal," said a trader in the Delhi market. He added that with import duty on wheat at 40 per cent, prices were not likely to fall as imports are unviable. Till May 20, FCI procured over 323 lakh tons of wheat for the ongoing 2019-20 marketing year at a MSP of Rs 1,840 per quintal. In the Delhi wholesale market after grading and transportation, wheat was being quoted at Rs 1,980 per quintal, which is expected to further increase to Rs 2,135-2,200 per quintal, said traders. Simultaneously, the price of barley used by the beer and animal feed industry is also firming up.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	36663	35802	36233	36486	36917	37170	Reversal
GOLD	31675	31044	31360	31547	31863	32050	Reversal
CRUDE OIL	4029	3835	3932	4105	4202	4375	Down
COPPER	415.10	409.00	412.10	413.70	416.70	418.30	Down
NATURAL GAS	180.20	174.10	177.10	180.00	183.00	185.90	Down
JEERA	17725	17315	17520	17630	17835	17945	Up
TURMERIC	7130	7070	7100	7160	7190	7250	Up
SOYBEAN	3726	3683	3705	3722	3744	3761	Sideways
RM SEED	3946	3909	3927	3940	3958	3971	Sideways
GUAR SEED	4436	4286	4361	4400	4475	4515	Down

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1285.09	+0.97
LONDON SPOT SILVER	\$14.60	+1.25
NYMEX CRUDE OIL	\$57.69	-5.55
NYMEX NATURAL GAS	\$2.605	+0.66

Economic Data

Data	Previous	Forecast	Time
Core Dur. goods	0.3%	0.1%	6:00pm

RECOMMENDATIONS

LEAD

LEAD MAY: BUY ABOVE 126.00 TP-127.75 SL BELOW 124.90.



After a relentless fall seen in last few days, Lead consolidated and bounced back yesterday to close in a positive territory.

SOYBEAN

SOYBEAN JUNE: BUY ABOVE 3740 SL BELOW 3709 TP-3783.

Soy Bean Indore 1906(NCSOYM9)2019/05/23 - Daily B:3725.00 A:3726.00
O 3706.00 H 3740.00 L 3701.00 C 3726.00 V 22,140 I 114,570 +20 +0.54%



Soybean is showing signs of a short term reversal after a consolidation of few days. Buy above yesterday's high.

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