

Friday, 25 January 2019

**News, Views & Statistics**
**U.S. Crude Oil Inventories Jumped by 7.97M Barrels Last Week: EIA**

U.S. crude oil inventories unexpectedly surged last week, but oil prices remained resilient in the face of the bearish data. The EIA data showed that crude oil inventories rose by 7.97 million barrels in the week to Jan. 18. That was compared to forecasts for a stockpile draw of 0.042 million barrels, after a decline of 2.683 million barrels in the previous week. The EIA report also showed that gasoline inventories rose by 4.05 million barrels, compared to expectations for a build of 2.66 million barrels, while distillate stockpiles decreased by 0.62 million barrels, compared to forecasts for a decline of 0.23 million. U.S. crude prices were up slightly, trading 0.27% higher at \$52.76 a barrel by 11:15 AM ET (15:15 GMT), compared to \$52.81 prior to the publication. London-traded Brent crude futures extended losses, falling 0.61% to \$60.77 a barrel, compared to \$60.92 ahead of the release. Crude prices had been under pressure as the prospects of future oil demand are getting clouded by the global growth worries. "With the IMF downgrading 2019/20 and the continued rhetoric from Davos reiterating that they expect global growth to slow down over the next two years, is providing selling pressure in oil," said Hue Frame, portfolio manager at Frame Funds in Sydney. Although the sharp reduction in output agreed by OPEC members and its allies has served to support crude prices, investors are concerned that rising production in the U.S. will confound attempts to reduce the global supply glut.

**Pulses prices likely to increase on shortfall of output**

With an expected 10% shortfall in the production of Pulses this year, the prices are likely to shoot up. Retail prices of Moong and Tur have already jumped Rs 4-10 a kg in the past 15 days. In 2018-19, the production is likely to be 22 million tons, just enough to meet India's requirement of 25 million tons, with a buffer stock of 36 lakh tons. Area under cultivation of kharif Pulses (October-March) has dropped from 157 lakh hectares to 149 lakh hectares till last week. Ground reports also suggest a downfall in the production of rabi (June-September) Pulses. Cold waves and untimely rains may further damage the standing crop. There had been a bumper crop of Pulses in the past two seasons which prompted India to cut down on imports as well as export the excess quantity. In 2016-17, India produced 23.13 million tons of Pulses, followed by an even better crop size of 25.23 million tons in 2017-18.

| 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   | \$1280.12 | -0.21    |
| LONDON SPOT SILVER | \$15.28   | +0.13    |
| NYMEX CRUDE OIL    | \$53.16   | +1.57    |
| NYMEX NATURAL GAS  | \$3.137   | +3.74    |

### Economic Data

| Data             | Previous | Forecast | Time |
|------------------|----------|----------|------|
| No major release | -        | -        | -    |

### RECOMMENDATIONS

#### COPPER

**COPPER FEB: TRADING RANGE 422.50 – 411.50.**



Wait for our intraday trading strategy.

# GUARSEED

**GUARSEED FEB: BUYTRADING RANGE 4400 - 4250.**



Wait for our intraday trading strategy.

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