

Thursday, 25 April 2019

News, Views & Statistics

Oil Dips on U.S. Crude Build; Large Imports Hint at OPEC Ramp-Up

There's probably more OPEC oil already landing in the United States, regardless what the Saudis say, and the hedge funds may soon wise up to drive prices lower again. Oil prices slid on Wednesday after the U.S. EIA reported that crude stockpiles in the country rose about five times more than expected last week. Imports grew the most since mid-March amid new momentum in the market's four-month long rally. New York-traded WTI crude was down 51 cents, or 0.8%, at \$65.79 per barrel by 12:35 PM ET (16:35 GMT). London-traded Brent, the global crude benchmark, slid by 10 cents, or 0.1%, to \$74.41. The EIA said crude inventories rose by 5.48 million barrels in the week ended April 19, compared with forecasts for a build of 1.26 million barrels. In the previous week to April 12, crude stockpiles fell by 1.4 million barrels. Gasoline inventories decreased by 2.13 million barrels, compared to expectations for a draw of 1.04 million barrels. Distillate stockpiles dropped by just 660,000 barrels, compared to forecasts for a decline of 1.16 million. Despite Wednesday's price declines, WTI was still on track for a gain of 3% on the week, while Brent showed a weekly rise of nearly 4%. Year to date, the U.S. benchmark is up 45% and its U.K. peer has gained 38%. The national average retail price of gasoline was at \$2.866 a gallon, according to AAA's Daily Fuel Gauge Report, up from \$2.849 on Tuesday. The price is up 26.5% this year. The advances came as the U.S. said on Monday it would scrap all sanction waivers for importers of Iranian oil after May 2, heightening concerns about supply in a market already hyped up about the scarcity of barrels after nearly five months of OPEC production cuts on top of unplanned outages in Venezuela and Libya.

Cotton mills turn to imports as domestic prices rise

The surging rates of cotton, in combination with a shortage as the crop size is smaller than what had been projected due to the monsoon's failure in several growing areas, have forced Tamil Nadu-based spinning mills to look at imports to meet their production requirements. However, with the current fluctuations in international cotton prices, the spinning mills are adopting "a wait and watch" approach in anticipation of a further softening of prices, the Coimbatore Cotton Association told the Hindu Business Line. Because of the shortfall, the association pointed out that cotton prices have gone up to Rs 47,000-48,000 per candy of 356 kg, forcing spinning mills to go for imports, which are cheaper. The initial projection by the Cotton Association of India was 360-370 lakh bales, but this has come down to around 320 lakh bales in the current marketing season, which commenced in October 2018 and will continue till September. While Indian mills started importing cotton at 80-87 cents per pound (1 pound = 0.45 kg), international prices have started moving northwards. If there is a price drop, there will be more buying by the mills, the association said.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	37487	36722	37104	37296	37678	37870	Down
GOLD	31817	31393	31605	31711	31923	32029	Down
CRUDE OIL	4627	4561	4594	4643	4676	4725	Up
COPPER	450.35	442.90	446.60	448.50	452.20	454.10	Down
NATURAL GAS	173.10	170.80	172.00	172.90	174.10	175.00	Up
JEERA	17250	16865	17060	17165	17360	17465	Up
TURMERIC	6390	6274	6332	6386	6444	6500	Up
SOYBEAN	3731	3691	3711	3724	3744	3757	Up
RM SEED	3797	3768	3782	3796	3810	3824	Down
GUAR SEED	4362	4268	4315	4358	4405	4447	Down

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1276.40	+0.55
LONDON SPOT SILVER	\$14.96	+1.01
NYMEX CRUDE OIL	\$65.82	-0.15
NYMEX NATURAL GAS	\$2.486	+0.32

Economic Data

Data	Previous	Forecast	Time
Core Durable	-0.1%	0.2%	6:00pm
Jobless Claims	192K	199K	-
NG inv.	+92B	+90B	8:00pm

RECOMMENDATIONS

SILVER

SILVER MAY: BUY AT 37330-37320 TP-37675 SL BELOW 37100.

SILVER 1905(MXSILK9)2019/04/24 - Daily B:37486.00 A:37489.00
O 36921.00 H 37504.00 L 36913.00 C 37489.00 V 20,430 T 22,806,507 I 15,473 +513 +1.39%



After scoring fresh weekly low on Tuesday, Silver came back strongly to register a good presence yesterday. Buy on small dips.

JEERA

JEERA MAY: BUY AT 17180-17170 TP-17395 SL BELOW 17050.

CORIANDER 1905(NCCODK9)2019/04/24 - Daily B:7389.00 A:7389.00
O 7170.00 H 7389.00 L 7151.00 C 7389.00 V 10,340 I 0 +215 +3.00%



Jeera ended the day in yet another bullish candlestick with strong support from buyers that reflected in rising volume and open interest. Buy on small dips.

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