

Wednesday, 27 February 2019

News, Views & Statistics

Oil rises on OPEC-led supply cuts, report of falling U.S. crude inventories

Oil prices rose on Wednesday after a report of declining crude inventories in the country and as producer club OPEC seemed to stick to its supply cuts despite pressure from U.S. President Donald Trump. U.S. West Texas Intermediate (WTI) crude oil futures were at \$56.02 per barrel at 0100 GMT, up 52 cents, or 0.9 percent, from their last settlement. International Brent crude futures were at \$65.55 per barrel, up 34 cents, or 0.5 percent from their last close. U.S. crude oil inventories fell by 4.2 million barrels in the week to Feb. 22, to 444.3 million barrels, the American Petroleum Institute (API) estimated in a weekly report on Tuesday. Official data will be released by the U.S. Energy Information Administration (EIA) after 1800 GMT. Oil markets have generally received support this year from supply curbs by the Organization of the Petroleum Exporting Countries (OPEC), which together with some non-affiliated producers like Russia, known as OPEC+, agreed late last year to cut output by 1.2 million barrels per day (bpd) to prop up prices. And the group has indicated it will continue to withhold supply despite pressure from U.S. President Donald Trump this week to stop artificially tightening markets. "Crude oil has been rising lately, not due to strong growth and rising demand but primarily due to a politically orchestrated cut in production from OPEC and friends," said Ole Hansen, head of commodity strategy at Denmark's Saxo Bank. Despite this, oil remains in ample supply as U.S. crude oil production has risen by more than 2 million bpd over the past year, to a record 12 million bpd, and because demand growth is low because of a global economic slowdown and improving energy efficiency across industries.

Rabi sowing closes with 1.86% less acreage than previous year

The current rabi season's total sowing wound up to 636 lakh hectares (lh), nearly 1.86 per cent lower than last year's 648 lakh hectares. According to the final rabi sowing data released by the Agriculture Ministry, the area under Pulses and Coarse Cereals were nearly 5 and 15 per cent lower than the corresponding period last year. The drought in Maharashtra was what dragged down the Pulses and Coarse Cereal cultivation. Karnataka and Maharashtra are the other two States that reported a lower area under Pulses cultivation. Among Coarse Cereals, Jowar cultivation is down by 19 per cent to 25 lh and Maize by around 10 per cent to 15.56 lh. On the other hand Oilseeds at 80.4 lh, remained more or less the same as in the last rabi season, the data showed. Increase in Wheat sowing in Madhya Pradesh and Uttar Pradesh has somewhat compensated for the drop in Wheat acreage in Maharashtra and Gujarat.

| COMMODITY | CLOSE | S2 | S1 | PIVOT | R1 | R2 | TREND |
|-------------|--------|--------|--------|--------|--------|--------|----------|
| SILVER | 40028 | 39789 | 39909 | 40134 | 40254 | 40479 | Reversal |
| GOLD | 33371 | 33170 | 33271 | 33434 | 33535 | 33698 | Reversal |
| CRUDE OIL | 3953 | 3909 | 3931 | 3949 | 3971 | 3989 | Down |
| COPPER | 461.55 | 457.00 | 459.30 | 461.30 | 463.60 | 465.70 | Up |
| NATURAL GAS | 202.30 | 198.50 | 200.40 | 201.70 | 203.60 | 204.90 | Up |
| JEERA | 15455 | 14955 | 15205 | 15395 | 15645 | 15835 | Up |
| TURMERIC | 6166 | 6048 | 6108 | 6156 | 6194 | 6280 | Down |
| SOYBEAN | 3680 | 3649 | 3665 | 3689 | 3705 | 3729 | Up |
| RM SEED | 3870 | 3823 | 3846 | 3863 | 3886 | 3903 | Down |
| GUAR SEED | 4145.5 | 4077 | 4111 | 4147 | 4181 | 4216 | Down |

International Markets

| COMMODITY | CLOSE | % CHANGE |
|--------------------|-----------|----------|
| LONDON SPOT GOLD | \$1327.55 | -0.09 |
| LONDON SPOT SILVER | \$15.87 | -0.18 |
| NYMEX CRUDE OIL | \$55.95 | +0.81 |
| NYMEX NATURAL GAS | \$2.769 | -0.11 |

Economic Data

| Data | Previous | Forecast | Time |
|----------------|----------|----------|--------|
| Crude oil inv. | 3.7M | - | 9:00pm |

RECOMMENDATIONS

NICKEL

NICKEL FEB: TRADING RANGE 904.00 – 928.50.



Wait for our intraday trading strategy during live market..

SOYBEAN

SOYBEAN MAR: TRADING RANGE 3700 -3640.



Wait for our intraday trading strategy during live market.

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Contact

SMS: 'Arihant' to 56677

Website

www.arihantcapital.com

Email Id

research@arihantcapital.com

ARIHANT Capital Markets Ltd

Commodity/Currency Research Desk: 6, Lad Colony, Y.N. Road Indore-3
T: 0731-4217191. Fax: 0731-4217103

Corporate Office: 1011, Solitaire Corporate Park, Building No.10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400093
D. +91.22.42254800 and 67114800
www.arihantcapital.com

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