

Wednesday, 27 March 2019

News, Views & Statistics
Gold Prices Drops From 1-Month High as Risk Sentiment Returns

Gold prices pulled back from a one-month high on Tuesday, breaking a three-day winning streak as risk aversion faded in financial markets. At 9:15 AM ET (13:15 GMT), gold futures for June delivery on the Comex division of the New York Mercantile Exchange fell \$5.45, or 0.4%, to \$1,323.55 a troy ounce, pulling back from what a day earlier had been its highest level since Feb. 28. Panic over the inversion of the bond yield curve in the U.S. - which caused a dive in stocks last Friday and drove buying of haven assets - subsided as policymakers and analysts downplayed the temporary nature of the event. "Most analysts believe the inversion must last a considerable amount of time, even a quarter, for it to truly be forecasting a recession," Investing.com analyst Darrell Delamaide explained. Chicago Fed chief Charles Evans said Monday that he remains confident in the American economy and explained that the yield inversion was likely flatter than normal due to lower trend growth and lower interest rates. In other metals trading, silver futures lost 0.5% at \$15.492 a troy ounce by 9:17 AM ET (13:17 GMT). Palladium futures fell 1.5% to \$1,520.90 an ounce, while sister metal platinum edged down 0.1% at \$862.30.

Cotton prices continue uptrend

Domestic cotton prices are steadily moving up even as two-thirds of the estimated crop has already arrived in the market. Cotton prices have spurred by Rs 3,000 per candy (from Rs 41500 to Rs 44500) in less than a month's time - leading to cost pressure on the entire cotton Textile and apparels value chain, industry sources said. "Cotton prices have gained sharply within a two-week time. Amid lower crop estimate, ginners suddenly panicked about a possible sharp rally in prices. This, coupled with a drastic decline in arrivals, created a bullish sentiment," said a top official of CAI. Daily arrivals have declined to about 80,000-90,000 bales as against what used to be at 1.3 lakh bales last year. The continuous increase in cotton price is reducing international competitiveness of the Indian textile value added industry and also affect exporters negatively, the CITI said. According to the CCI, about 235 lakh bales (of 170 kg each) cotton have arrived in the market as on March 15. The CAI in its March 2019 estimate has pegged the crop this year at 328 lakh bales. CCI initially conducted MSP procurement operations to arrest a fall in prices due to increased arrivals. However, after buying about 12 lakh bales, CCI has reportedly stopped procurement as the market price of raw cotton or kapas gained 10 per cent above the MSP at Rs 5,850-5,900 a quintal. The MSP for cotton was fixed at Rs 5,450 a quintal. So far about 38 lakh bales have been exported, while the CAI estimates put shipments at 50 lakh bales for the season ending September 2019. "Due to higher prices, export contracts have taken a halt.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	38330	38097	38213	38378	38494	38659	Up
GOLD	32105	31919	32012	32108	32201	32297	Reversal
CRUDE OIL	4145	4048	4096	4138	4186	4228	Up
COPPER	438.05	433.50	435.80	437.50	439.70	441.40	Down
NATURAL GAS	188.70	187.10	187.90	189.30	190.10	191.50	Up
JEERA	15575	15450	15515	15545	15610	15640	Up
TURMERIC	6130	5874	6002	6086	6214	6298	Down
SOYBEAN	3656	3603	3629	3672	3698	3741	Up
RM SEED	3740	3691	3716	3735	3760	3779	Down
GUAR SEED	4422.5	4328	4375	4417	4464	4506	Down

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1314.54	-0.57
LONDON SPOT SILVER	\$15.41	+0.39
NYMEX CRUDE OIL	\$59.84	+1.17
NYMEX NATURAL GAS	\$2.749	+0.07

Economic Data

Data	Previous	Forecast	Time
Crude Oil Inv.	-9.6M	-	8:00pm

RECOMMENDATIONS

LEAD

LEAD MAR: SELL AT 137.10-137.20 TP-135.50/134.40 SL ABOVE 138.00.



Lead continued its southward journey yesterday too as it tumbled more than a percent, thus paving the way for a harsh breakdown of the bearish continuation pattern called 'Pennant'.

COCUD

COCUD APR: SELL AT 2255-2257 TP-2211 SL ABOVE 2281.

COTTON SEED OIL 1904(NCCOUJ9)2019/03/26 - Daily B:2242.00 A:2244.00
 O 2283.00 H 2292.50 L 2235.00 C 2243.00 V 79,580 184,130 -51 -2.22%
 EMA(21)2144.4 (8) 2227.2 (32) 2110.3



COCUD finally succumbed to the pressure created by bears as the commodity was trading near multi year highs and had reached the 'tired bull' situation since last few days.

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