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METAL & AGRO BUZZ

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News, Views & Statistics

Oil Prices Soar After Huge Plunge in U.S. Crude Inventories

U.S. crude oil inventories fell much more than expected last week, extending already sharp gains in prices on Wednesday. The said in its regular weekly report that crude oil inventories plummeted by 12.79 million barrels in the week to June 21 - nearly four times the forecast draw and its largest decline since 2016 - while gasoline inventories and distillate stockpiles also unexpectedly increased. U.S. crude prices extended already solid gains after the report, jumping 3% at $59.58 a barrel by 11:10 AM ET (15:10 GMT), compared to $59.23 prior to the publication. London-traded Brent crude futures traded up 2.2% to $65.72 a barrel, compared to $65.31 ahead of the release. “This humongous draw seems to be just the tonic the doctor ordered for the commodity bull. “You could almost argue that the EIA is overcompensating now for the unseasonable builds they cited in recent weeks.” Krishnan added that the bullish backdrop provided by the supply squeeze from sanctions and U.S.-Iran tensions provided a positive narrative for OPEC. “The only question at this point is what sort of support the Russians would lend to the Saudis for extended production cuts, because shale output and exports could continue growing here and eat into the market share of the Russians if they cut,” he said. The G20 gathering will be in the spotlight for oil markets as Russian President Vladimir Putin meets Saudi Crown Prince Mohammed Bin Salman. They will likely discuss whether and how to extend the current production cut agreement between OPEC and other producers, of which Russia is by far the largest. Moscow had convinced OPEC to delay the meetings initially scheduled for June 25-26 to July 1-2 in order to have time for discussion at the G20. While waiting for a confirmation of an extension of output cuts, U.S. crude has gained more than 10% since mid-June as escalating tensions between the U.S. and Iran countered the ongoing Sino-U.S. trade conflict as the principal short-term price driver.

Govt removes restrictions on import of Pea Seeds

The government has removed restrictions on imports of pea seeds, a move which may help reduce prices and increase availability of the commodity in the domestic market. The imports, however, are subject to certain conditions, the directorate general of foreign trade (DGFT) has said in a notification. While the imports were allowed with a licence earlier, an importer would not require a license from the government now. Import policy of seeds of peas is amended from restricted to free category, it said. The imports of pea seeds has marginally declined to USD 1.59 million in 2018-19 from USD 1.89 million in 2017-18.-PTI.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	37821	37511	37666	37792	37947	38073	Up
GOLD	34345	34040	34192	34329	34481	34618	Up
CRUDE OIL	4131	3985	4058	4111	4184	4237	Down
COPPER	414.10	408.50	411.30	416.20	419.0	423.80	Down
NATURAL GAS	159.80	156.10	158.00	159.30	161.20	162.50	Down
JEERA	17190	17070	17130	17220	17280	17370	Up
TURMERIC	6380	6298	6340	6386	6428	6474	Up
SOYBEAN	3687	3608	3648	3668	3708	3728	Down
RM SEED	3944	3891	3917	3934	3960	3977	Sideways
GUAR SEED	4185	4137	4161	4204	4228	4271	Down

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	$1413.10	+0.57
LONDON SPOT SILVER	$15.30	+0.86
NYMEX CRUDE OIL	$59.44	+0.80
NYMEX NATURAL GAS	$2.309	+0.70

Economic Data

Data	Previous	Forecast	Time
Core Dur. Goods	0.0%	0.1%	6:00pm
Crude Oil Inv.	-3.1M	-	8:00pm

RECOMMENDATIONS

CRUDE OIL

CRUDE OIL JULY: BUY AT 4122-4120 TP-4175 SL BELOW 4085.

Crude oil continued upside on the back of strong support from fundamentals. Technically too, the pattern is signaling that the uptrend may get extended.

SOYBEAN

SOYBEAN JULY: BUY AT 3670-3668 TP-3713 SL BELOW 3640.

A short term trend reversal structure was seen on technical charts of Soybean. Yesterday, this structure broke out above its range and we got to see a stable upside on the oilseed.

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