

Thursday, 27 December 2018

**News, Views & Statistics**
**Oil rises to \$51 after steep slide; growth fears weigh**

Oil rose to \$51 a barrel on Wednesday on perceptions that a price slide to 2017 lows prompted by economic worries had been overdone amid an OPEC-led effort to tighten supply. Crude has been caught up in wider financial market weakness as the U.S. government shutdown, higher U.S. interest rates and the U.S.-China trade dispute unnerved investors and exacerbated worries over global growth. MKTS/GLOB. Brent crude LCOc1, the global benchmark, was up 70 cents at \$51.17 at 1120 GMT. It earlier fell to \$49.93, the lowest since July 2017, and posted a 6.2 percent slide in the previous session. U.S. crude CLc1 was up 68 cents at \$43.21. "I think there is a little bit of over-extension to the downside linked to global market fears," said Olivier Jakob, analyst at Petromatrix. "It's all about equities." "OPEC has shown it wants a higher prices and is working towards that goal." Trade was thin due to the Christmas holidays. Asian stock markets retreated again on Wednesday. Markets in Britain, Germany and France will remain closed on Wednesday. While economic worries have weighed, the outlook is not as weak as in 2016 when a supply glut built up, because the Organization of the Petroleum Exporting Countries this time is trying to prop up the market, Jakob said. Concerned that a new glut could form, OPEC and its allies including Russia decided earlier this month to return to a policy of cutting production in 2019, unwinding a decision taken in June 2018 to pump more oil.

**UP urge Centre to hike States Sugar sale quota**

Uttar Pradesh has asked the Centre to increase the state's Sugar sale quota and hike the minimum ex-factory sale price from Rs 2,900 per quintal to Rs 3,250, given that mills in the country's largest producing state are still struggling to clear the last season's cane dues of Rs 2,130 crore. In the current season 2018-19, mills have produced 21.74 lakh tonnes and the total production is estimated to be around 125 lakh tonnes, after deducting the buffer stock and export quota, the state will still be left with 117 lakh tonnes of Sugar. The entire stock needs to be cleared in 12 months from December 2018 to November 2019, the state needs to have a monthly Sugar sale quota of 11 lakh tonnes. Against this, the monthly sales quota fixed for UP has been 6.25 lakh tonnes for June, 5.48 lakh tonnes for July, 6.11 lakh tonnes for August, 6.83 lakh tonnes for September, 8.06 lakh tonnes for October and 7.67 lakh tonnes for November 2018. Due to the low sales quota, mills are unable to sell their Sugar and repay the farmers on time, the problem is compounded by the fact that the ex-factory price of Sugar has been fixed at a paltry Rs 2,900/quintal.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	38253	37777	38000	38107	38550	38900	Up
GOLD	31559	31198	31324	31593	31630	31800	Up
CRUDE OIL	3214	3100	3150	3151	3260	3317	Reversal
COPPER	421.05	410.00	415.00	419.20	424.40	429.00	Down
NATURAL GAS	241.70	234.40	242.40	240.60	249.00	257.70	Down
JEERA	17280	16920	17100	17250	17430	17580	Reversal
TURMERIC	6820	6383	6601	6711	6929	7039	Up
SOYBEAN	3365	3293	3329	3351	3387	3409	Reversal
RM SEED	3922	3843	3883	3912	3952	3981	Reversal
GUAR SEED	4248	4068	4158	4220	4310	4372	Reversal

### International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1269.85	+0.24
LONDON SPOT SILVER	\$15.03	+0.09
NYMEX CRUDE OIL	\$46.12	-1.05
NYMEX NATURAL GAS	\$3.455	+0.88

### Economic Data

Data	Previous	Forecast	Time
Jobless Claims	214K	220K	7:00PM
Cons Confidence	133	135	8:30PM

## RECOMMENDATIONS

### CRUDE OIL

**CRUDE OIL JAN: TRADING RANGE 2900-3150.**



Wait for our intraday trading strategy.

# GUARSEED

**GUARSEED JAN: TRADING RANGE 4200-4330.**



Wait for our intraday trading strategy.

**Disclaimer:** This document has been prepared by Arihant Capital Markets Limited (hereinafter called as Arihant) and its subsidiaries and associated companies. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. Receipt and review of this document constitutes your agreement not to circulate, redistribute, retransmit or disclose to others the contents, opinions, conclusion, or information contained herein. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this material may not be suitable for all investors. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material. Arihant Capital Markets Ltd (including its affiliates) or its officers, directors, personnel and employees, including persons involved in the preparation or issuance of this material may; (a) from time to time, have positions in, and buy or sell or (b) be engaged in any other transaction and earn brokerage or other compensation in the financial instruments/products discussed herein or act as advisor or lender/borrower in respect of such securities/financial instruments/products or have other potential conflict of interest with respect to any recommendation and related information and opinions. The said persons may have acted upon and/or in a manner contradictory with the information contained here and may have a position or be otherwise interested in the investment referred to in this document before its publication. The user of this report assumes the entire risk of any use made of this data / Report. Arihant especially states that it has no financial liability, whatsoever, to the users of this Report.

**Contact**

SMS: 'Arihant' to 56677

**Website**[www.arihantcapital.com](http://www.arihantcapital.com)**Email Id**[research@arihantcapital.com](mailto:research@arihantcapital.com)**ARIHANT Capital Markets Ltd**Commodity/Currency Research Desk: 6, Lad Colony, Y.N. Road Indore-3  
T: 0731-4217191. Fax: 0731-4217103Corporate 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](http://www.arihantcapital.com)

RCH-CMB-