

Tuesday, 29 January 2019

News, Views & Statistics
Gold Prices Balk at \$1,300 Ahead of Fed, U.S.-China Trade Talks

Gold prices held steady on Monday, unable to make a clean break above the \$1,300 handle as investors waited for the results this week of the latest Federal Reserve policy decision and another round of trade talks between the U.S. and China. At 9:37 AM ET (14:37 GMT), gold futures for February delivery on the Comex division of the New York Mercantile Exchange slipped 25 cents, or 0.02%, to \$1,297.85 a troy ounce, pulling back below the \$1,300 psychological level after touching \$1,303.75 earlier in the session. Gold last managed to close above \$1,300 on June 14. The Fed will conclude its two-day policy meeting on Wednesday and is widely expected to hold rates steady after raising them in December for the fourth time in 2018. The U.S. central bank has indicated that it will hike rates twice this year, but some central bank officials have said they will be patient and cautious in raising rates as risks to the U.S. economy mount. Higher interest rates tend to weigh on demand for gold, which doesn't bear interest, in favor of yield-bearing investments. Meanwhile, the ongoing trade negotiations between the U.S. and China are also expected to be a major focus this week, as the two sides try to reach a trade deal before a deadline on March 1. Chinese Vice Premier Liu He will visit the U.S. for talks that will be held on Wednesday and Thursday. U.S. President Donald Trump has threatened to move forward with fresh tariffs on Chinese imports if an agreement isn't reached by the March 1 deadline. "Although coming to an agreement is still tricky, both sides have little incentive to escalate tensions,". "Markets will at least expect an extension of the truce in tariff increases beyond early March, while more difficult issues are still being worked on by both sides." U.S. officials have given different assessments of the state of negotiations. U.S. Treasury Secretary Steven Mnuchin has said the two countries are "making a lot of progress" while Commerce Secretary Wilbur Ross told CNBC that the U.S. was "miles and miles" from reaching a trade deal with China.

Fall in Pepper price puts South Indian growers under stress

A sharp fall in the price of Pepper in the harvest season and low production owing to torrential rain a few months ago in Pepper-growing areas of Kerala and Karnataka caused a sharp decline in crop production. High moisture content owing to the rains has triggered fungal diseases like quick wilt and soft wilt. The diseases massively destroyed the vines in Pepper-growing area. Hence the production may fall 45-50% this season. Domestic production is likely to drop below 50,000 tonnes against a consumption of 65,000 tons. Rising imports and illegal entry of the produce had taken their toll on the average Pepper price, which dropped from a high of Rs 720 a kg to Rs 325 a kg over the last 19 months. Smuggled Pepper from Vietnam and Sri Lanka is available in consuming centers across the country at Rs 325 a kg.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	39918	39469	39693	39890	40114	40311	Down
GOLD	32526	32236	32381	32485	32630	32734	Down
CRUDE OIL	3676	3571	3623	3715	3767	3859	Up
COPPER	422.25	416.80	419.50	424.50	427.30	432.30	Down
NATURAL GAS	210.20	200.30	205.30	210.60	215.60	220.90	Down
JEERA	15935	15675	15805	16040	16170	16405	Down
TURMERIC	6492	6400	6446	6500	6546	6596	Down
SOYBEAN	3905	3854	3880	3894	3920	3934	Up
RM SEED	3992	3966	3979	3997	4010	4028	Up
GUAR SEED	4308	4219	4263	4297	4341	4375	Up

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1303.02	+0.00
LONDON SPOT SILVER	\$15.75	+0.06
NYMEX CRUDE OIL	\$51.57	-3.66
NYMEX NATURAL GAS	\$2.953	-6.79

Economic Data

Data	Previous	Forecast	Time
CB Cons. Confid.	128.1	125.0	8:30pm

RECOMMENDATIONS

COPPER

COPPER FEB: TRADING RANGE 425.50 – 414.50.



Wait for our intraday trading strategy.

CHANA

CHANA MAR: SELL AT 4204-4205 TP-4169/4141 SL ABOVE 4230.



Chana continued the bearish trend and declined yesterday as well. The fall is likely to accelerate as prices are on the verge of another breakdown.

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