

Wednesday, 29 August 2018

**News, Views & Statistics**

**Oil edges up on looming Iran sanctions, but rising global supply caps market**

Oil markets were stable on Wednesday, buoyed by falling supplies from Iran ahead of U.S. sanctions but held in check by rising production outside the Organization of the Petroleum Exporting Countries. International Brent crude oil futures LCOc1 were at \$76 per barrel at 0257 GMT, up 5 cents from their last close. U.S. West Texas Intermediate (WTI) crude futures CLc1 were up 6 cents at \$68.59 a barrel. Traders said crude prices have been supported by the prospect of U.S. sanctions against Iran, which will start to target its oil industry from November. Bowing to pressure from Washington, many crude buyers have already reduced orders from OPEC's third-biggest producer. Although Tehran is offering steep discounts, Iran's August crude oil and condensate loadings are estimated at 2.06 million barrels per day (bpd), versus a peak of 3.09 million bpd in April, trade flows data on Thomson Reuters Eikon showed. concern is crisis-struck OPEC-member Venezuela, where oil exports have dropped by half since 2016 to below 1 million bpd. To stem tumbling output, Venezuelan state-run oil firm PDVSA said on Tuesday it had signed a \$430 million investment agreement to increase production by 640,000 bpd at 14 oil fields, valuing the investment at \$430 million. However, given the country's political and economic instability, many analysts doubted whether this investment would go through. NON-OPEC SUPPLY Despite the risk of disruption especially from OPEC-countries like Venezuela, Iran, Libya and Nigeria, Bank of America (NYSE:BAC) Merrill Lynch said global supply could climb towards year-end. In the United States, crude oil inventories rose by 38,000 barrels to 405.7 million barrels in the week to Aug. 24, industry group the American Petroleum Institute said on Tuesday. U.S. fuel inventory and crude production data will be published on Wednesday by the Energy Information Administration (EIA).

**Indonesia keeps Palm Oil export tax at zero for September**

Indonesia will keep the export tax for Crude Palm Oil (CPO) at zero and cocoa beans at 5% in September, the trade ministry said. Export tax for cocoa has been set at 5% since July, while exports of CPO have not been taxed in over a year. The government estimated its reference price of Palm Oil to stay below a threshold of US\$750 per tonne and below \$2,750 for cocoa beans. Crude palm oil futures rose on MCX as speculators widened their positions, taking positive cues from spot market on robust demand. Besides, tight stock positions on restricted supplies from growing regions, also lifted crude palm oil prices in futures trade.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	37157	36868	37012	37138	37282	37408	Down
GOLD	30020	29797	29908	29995	30106	30193	Down
CRUDE OIL	4817	4776	4797	4817	4838	4858	Down
COPPER	418.65	415.70	417.15	418.95	420.40	422.20	Down
NATURAL GAS	201.90	200.10	201.00	202.70	203.60	205.30	Up
JEERA	19145	18885	19015	19170	19300	19455	Up
TURMERIC	6802	6644	6724	6782	6862	6920	Sideways
SOYBEAN	3180	3145	3163	3186	3204	3227	Up
RM SEED	4003	3966	3984	4005	4023	4044	Up
GUAR SEED	4171	4080	4126	4180	4226	4280	Up

### International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1209.82	+0.34
LONDON SPOT SILVER	\$14.87	+0.47
NYMEX CRUDE OIL	\$68.79	+0.35
NYMEX NATURAL GAS	\$2.883	-1.03

### Economic Data

Data	Previous	Forecast	Time
Prelim GDP q/q	4.1%	4.0%	6:00pm
Crude Oil Inv.	-5.8M	-	8:00pm

### RECOMMENDATIONS

#### GOLD

**GOLD OCT: TRADING RANGE 29950-30300.**



Wait for our intraday trading strategy.

# CHANA

**CHANA SEP: TRADING RANGE 3930-4020.**



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-