

Commodity Weekly Research Report

MCBPL Research

Global Macro Economic Changes

Economic Review

US Economic Update

Date	Data	Pre.	Exp.	Cur.
01.07	ISM Manufacturing PMI	52.1	51.3	51.7
03.07	ADP Non-Farm Employment Change	41K	140K	102K
03.07	Unemployment Claims	229K	220K	221K
03.07	ISM Non-Manufacturing PMI	56.9	56.1	55.1
03.07	Crude Oil Inventories	-12.8M	-2.8M	-1.1M
03.07	Natural Gas Storage	98B	85B	89B
05.07	Non-Farm Employment Change	72K	162K	224K

Budget 2019: Customs duty on gold and precious metals hiked, gold to get costlier

- 👉 China has received a briefing from the United States on the latest meeting between U.S. President Donald Trump and North Korean leader Kim Jong Un, China's Foreign Ministry said on Saturday, in a call between two senior diplomats.
- 👉 Trump became the first sitting U.S. president to set foot in North Korea on Sunday when he met Kim in the Demilitarized Zone (DMZ) at Panmunjom between the two Koreas and agreed to resume stalled nuclear talks.
- 👉 Chinese Vice Foreign Minister Luo Zhaohui and U.S. Special Representative for North Korea Stephen Biegun discussed that meeting in a telephone call on Friday, China's Foreign Ministry said in a short statement.
- 👉 An Iranian Revolutionary Guards commander threatened on Friday to seize a British ship in retaliation for the capture of an Iranian supertanker by Royal Marines in Gibraltar.
- 👉 The Gibraltar government said the crew on board the supertanker Grace 1 were being interviewed as witnesses, not criminal suspects, in an effort to establish the nature of the cargo and its ultimate destination.
- 👉 British Royal Marines boarded the ship off the coast of the British territory on Thursday and seized it over accusations it was breaking sanctions by taking oil to Syria. They landed a helicopter on the moving vessel in pitch darkness.
- 👉 The United Nations Security Council on Friday condemned a deadly air strike on a migrant detention center in Libya, called for the warring parties to commit to a ceasefire and urged other countries not to intervene or exacerbate the conflict.
- 👉 The 15-member council met on Wednesday after the attack late on Tuesday killed at least 53 people, including six children.
- 👉 But it was unable to quickly issue a statement, which needs consensus, because the United States could not agree to it, diplomats said. Diplomats said the statement issued on Friday was largely unchanged from the language discussed on Wednesday.

Index	Units	CMP	Weekly Chg	M-o-M	Y-o-Y
Rupee Spot	USD	68.45	0.85	1.19	0.72
Euro Spot	USD	1.13	(0.98)	0.37	(3.67)
Yen Spot	USD	108.08	(0.21)	0.35	2.37
GB Pound	USD	1.26	(1.13)	(1.06)	(5.07)
CBOE VIX	-	14.35	(10.73)	(17.17)	#N/A N/A
India VIX	-	13.07	(12.62)	(16.40)	3.90
Baltic Dry	-	1700.00	26.87	48.99	5.46

Bullion Counter

Highlights This Week:

- ☞ Good job numbers are killing gold longs' hopes for a rate cut.
- ☞ A stellar U.S. employment report for June reset market expectations for a Federal Reserve interest rate reduction later this month, sending both bullion and futures of gold skidding on Friday to below the key \$1,400 level.
- ☞ The U.S. added 224,000 jobs in June versus a forecast growth of 160,000. While unemployment is still at a near 50-year low, Friday's jobs growth was still the highest in five months.
- ☞ Fed Rate Monitor Tool still suggests a 100% chance the Fed will cut its key federal funds rate from 2.25%-2.5% to 2%-2.25% at its July 30-31 meeting. Yet, some market participants were scaling back expectations that the rate cut is a certainty. Stocks on Wall Street fell soon after the open, although losses were cut substantially by early afternoon.

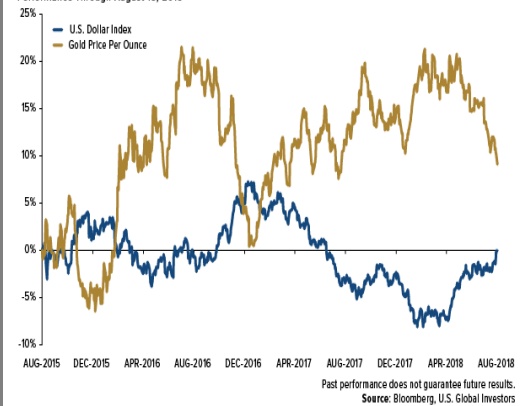
International Price Movement

Contract	Closing Price	Change
MCX Gold	34583	1.10%
MCX Silver	37915	1.24%
COMEX Gold	1400.96	0.65%
COMEX Silver	15	-1.19%
GBPINR	86.27	-2.07%
USDINR	68.61	-1.00%
EURINR	77.46	-2.02%

Fundamental Glance:

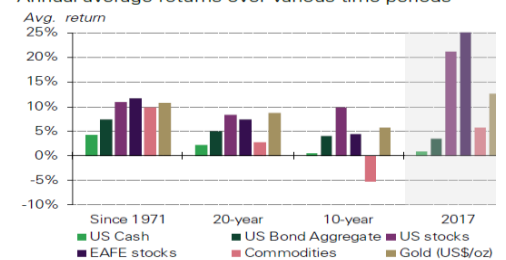
- ☞ Domestic gold prices in India jumped to a record on Friday following an unexpected increase in import duty in the country's budget, hitting demand and forcing dealers to offer the highest discount in nearly three years.
- ☞ Dealers in India, the world's second biggest gold consumer after China, were offering discounts of up to \$30 an ounce — the highest since August 2016 — over official domestic prices, versus the \$25 discounts seen last week.
- ☞ Finance minister Nirmala Sitharaman raised the import duties on gold and other precious metals to 12.5% from 10% in her first federal budget on Friday, a move industry officials said could dampen retail demand and boost smuggling.
- ☞ Gold futures jumped more than 2% following the budget announcement to hit a record high of 35,100 per 10 grams. Local prices have risen more than 11 percent in six weeks.

Despite a Stronger U.S. Dollar, Gold Is Still Up for 36-Month Period
Performance Through August 13, 2018



Gold has delivered positive returns over the long run, outperforming key asset classes

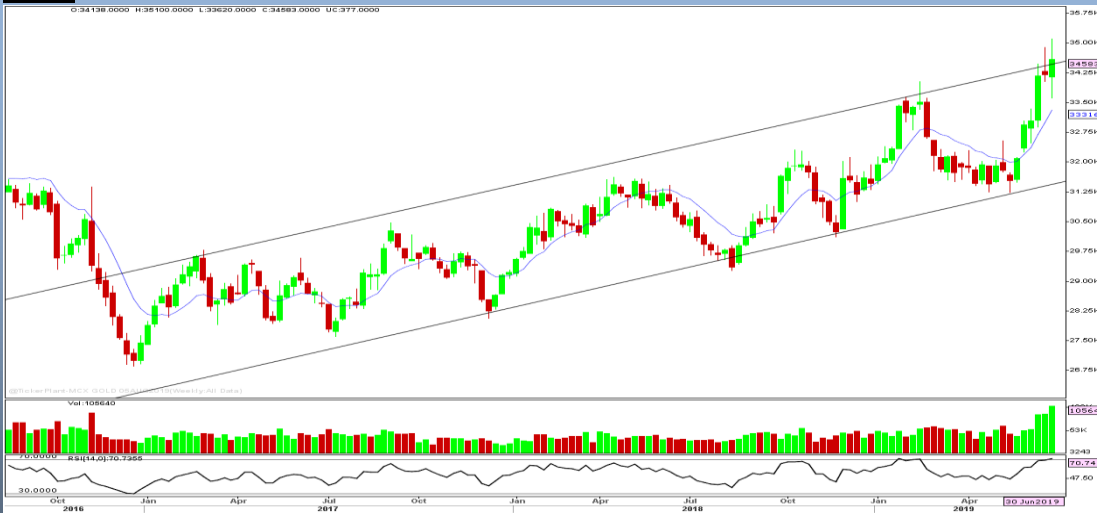
Annual average returns over various time periods*



*As of 31 December 2017. Annual return computations are based on total return indices, except gold where the spot price is used. This arrangement more accurately reflects portfolio level performance.
Source: Bloomberg, ICE Benchmark Administration, World Gold Council

Technical Corner:

Gold:



MSFL- Technical Levels

Contract	Gold Near
Support-3	32289
Support-2	32954
Support-1	33769
Pivot Level	34434
Resistance-1	35249
Resistance-2	35914
Resistance-3	36729

Bullish Engulfing kind pattern with spice volume on weekly chart indicate positive in counter. Gold format upper ward Channel and traded to near the upper arm. Short term DEMA acts as a support on down side. Selected momentum indicator RSI seen with overbought territory. So we recommend to trade with positive approach.

Silver:



Contract	Silver Near
Support-3	35793
Support-2	36628
Support-1	37271
Pivot Level	38106
Resistance-1	38749
Resistance-2	39584
Resistance-3	40227

Long lag Doji candle with average volume on weekly chart indicate indecisiveness in counter. Silver format triangle patten and traded near to lower arm. Short term DEMA acts as a support on down side. Selected momentum Indicator RSI seen with moderate zone. So we recommend to trade with cautious approach.

MCBPL-Recommendation

👉 Bullion is expected to trade Positive amid of duty hike by union budget of india.

Energy Counter

Highlights this Week:

- ☞ The year's biggest events for oil – more OPEC production cuts and a possible resolution to the trade war – have delivered more disappointment than joy for oil bulls this week.
- ☞ Oil prices moved higher in New York and London in light trading as U.S. markets reopened from the U.S. Independence Day holiday.
- ☞ But both U.S. West Texas Intermediate crude and U.K. Brent oil posted weekly losses on lingering demand worries, despite promises of tighter OPEC supply extending into March 2020.
- ☞ Oil prices were also down on the week on concerns that a potential breakthrough in U.S.-China trade talks at the G20 meeting in Japan might be bigger on hype than delivery

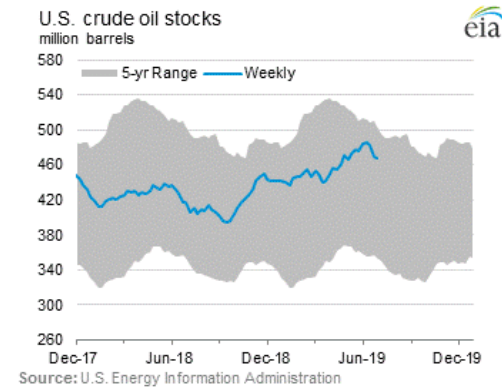
International Energy Update

Contract	Closing Price	Change
MCX Crude	3933	-3.96%
MCX Gas	167.2	4.17%
Nymex Crude	57.6	-3.79%
Nymex Gas	2.424	3.95%
Brent Crude	64.24	-3.19%
Crude Storage	(-1.1)M	NA
Gas Storage	89B	NA

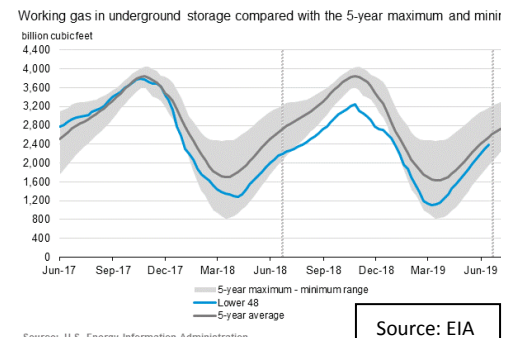
Fundamental Glance:

- ☞ Friday's oil-price drop came amid a stellar U.S. employment report for June that was believed by many analysts to trim the chances of a Federal Reserve rate cut later this month. The U.S. added 224,000 jobs in June versus a forecast growth of 160,000.
- ☞ It was a turbulent week for oil which initially rallied on the feel-good news of progress in trade talks between U.S. President Donald Trump of the U.S. and China President Xi Jinping.
- ☞ Russian leader Vladimir Putin's announcement that his nation and Saudi Arabia – the forces behind the OPEC+ pact – will continue leading efforts to shed 1.2 million barrels per day through March also underpinned sentiment.
- ☞ OPEC oil output sank to a new five-year low in June as a rise in Saudi supply did not offset losses in Iran and Venezuela due to U.S. sanctions and other outages elsewhere in the group, a Reuters survey found
- ☞ Despite that, slides showing OECD overhang of oil stocks at 10 times higher to 2010-14 levels raised questions on whether nine months of extended OPEC cuts would be enough to rebalance the market.
- ☞ A much smaller-than-expected decline in U.S. crude inventories for last week added to worries that demand may be fading even in the peak U.S. summer driving season.

U.S. Crude Oil Stocks



Natural Gas storage



Technical Corner:

Crude Oil:



Contract	Crude Near
Support-3	3491
Support-2	3674
Support-1	3803
Pivot Level	3986
Resistance-1	4115
Resistance-2	4298
Resistance-3	4427

Bearish Engulfing candle with average volume on weekly chart indicate negative in counter. Short term DEMA acts as a resistance in upper side. Selected momentum indicator RSI seen with moderate zone. So we recommend to trade with negative approach.

MCBPL-Recommendation

Crude prices expected to trade Negative ahead US-Iran tension .

Metal Counter

Highlights This Week:

- 👉 Macroeconomic uncertainties led to corrections in global prices of aluminium, copper and zinc in the last one year. It further said that the production growth of these three non-ferrous metals was even lower than the rise in demand.
- 👉 Global consumption growth of aluminium and copper during the first quarter of 2019 was muted at 1.4 per cent and 0.8 per cent, respectively, as against 4 per cent and 2.3 per cent, respectively, in 2018, consumption of zinc registered a de-growth of 1.3 per cent as against 0.3 per cent de-growth in the last year.
- 👉 Slowdown in production growth of aluminium and copper was in turn a result of capacity constraints, which is unlikely to improve significantly in 2019.

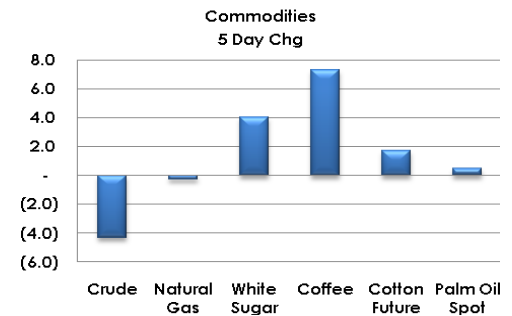
International Energy Update

Contract	Closing Price	Change
MCX Copper	438.50	-1.78%
Comex Copper	2.6726	-2.04%
LME Copper	5857	-2.09%
LME Nickel	12300	-1.68%
LME Lead	1863	-2.41%
LME Zinc	2404	-2.99%
LME Aluminum	1779.5	-1.19%

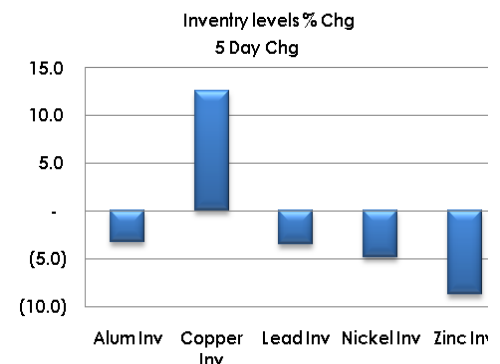
Fundamental Glance:

- 👉 The Congolese army has arrived at Glencore's largest copper and cobalt mine following the deaths of over 40 informal miners on the site.
- 👉 Glencore said it had communicated its expectations to the army that it "exercise restraint" and operate in accordance with international human rights standards.
- 👉 The Switzerland-based miner has said around 2,000 informal miners a day have been entering the site of the Kamoto Copper Company over the past month in the southern mining town of Kolwezi.
- 👉 A total of 43 miners died following the collapse of a part of the mine's open pit on June 27.
- 👉 "KCC has communicated its expectations to the FARDC [the army] to exercise restraint and operate in accordance with Voluntary Principles on Security and Human Rights and international human rights standards," Glencore said. "This includes the principles relating to the use of proportionate force and provision of medical aid."
- 👉 The presence of the armed forces in Kolwezi has raised fears of violence and possible forced evictions of informal miners.
- 👉 Last month the Congolese army was sent to the nearby Tenke Fungurume copper and cobalt mine, which is owned by China Molybdenum. On Monday Amnesty International called for the immediate withdrawal of troops from the area, so as to avoid "unlawful killings."

Spot Commodities Value Change



LME Metal Inventory Change



Technical Corner:

Copper



Red candle on weekly chart with lower volume indicate indecisiveness in counter. Copper format box pattern and traded near to upper arm. Short term DEMA acts as a support down side. Selected momentum indicator RSI seen with moderate zone. Se We recommend to trade with cautious approach.

Commodity	CMP	Weekly Chg	M-o-M	Y-o-Y
Alum Spot	1,807.00	0.95	1.18	(13.50)
Copper Spot	5,920.00	(1.15)	0.70	(7.30)
Lead Spot	1,878.50	(3.22)	1.76	(19.10)
Nickel Spot	12,340.00	(2.91)	4.48	(12.76)
Zinc Spot	2,425.00	(2.02)	(2.04)	(10.19)
Alum Inv	9,71,500.00	(3.21)	(14.17)	(12.05)
Copper Inv	2,71,525.00	12.58	28.21	(3.79)
Lead Inv	64,325.00	(3.49)	(7.25)	(50.96)
Nickel Inv	1,57,386.00	(4.89)	(0.96)	(41.53)
Zinc Inv	90,350.00	(8.71)	(9.31)	(63.72)
Steel	0.50	-	-	-

MSFL- Technical Levels

Contract	S-2	S-1	Pivot	R-1	R-2
Copper Near	425.8	432.2	442.6	448.9	459.3
Nickel Near	846.0	866.1	885.4	905.5	924.8
Lead Near	147.4	149.7	153.1	155.4	158.8
Zinc Near	186.4	190.2	196.3	200.1	206.2

MSFL-Recommendation

Base Metals expected to trade Volatile amid of USA-China trade war.

Date	Country	Economic Data	Prior	Time
09.07.2019	USA	Fed Chair Powell Speaks	-	06.15PM
09.07.2019	USA	Crude Oil Inventories	-1.1M	08.00PM
09.07.2019	USA	FOMC Meeting Minutes	-	11.30PM
11.07.2019	USA	CPI m/m	0.1%	06.00PM
11.07.2019	USA	Unemployment Claims	221K	06.00PM
11.07.2019	USA	Natural Gas Storage	89B	08.00PM
12.07.2019	USA	PPI m/m	0.1%	06.00PM



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