

Daily Commodity Report as on Monday, March 27, 2017



"Growth has not limit, keep revising your vision.
Only when you can dream it, you can do it."





Market Round up

	Open	High	Low	Close	% Cng	OI
Precious Metals						
Gold	28763	28828	28703	28793	-0.02	4209
Silver	41302	41618	41210	41530	0.56	12636

Base Metal						
Alum.	125.65	126.3	125.4	126.15	0.28	1561
Copper	382	383.45	379	380.75	-0.81	12905
Lead	153.3	154.85	152.65	153.25	-0.71	1832
Nickel	653.2	654.2	641.5	644.3	-1.50	28446
Zinc	183.05	185	182.3	184.35	0.38	4112

Energy						
Crude	3145	3158	3123	3142	-0.03	21703
Nat. Gas	198	201.4	197.2	200.3	1.37	4776

Spices						
Cardamom	1380	1385.5	1378.2	1380.3	0.05	918
Turmeric	6440	6548	6316	6352	-1.43	11080
Jaara	18010	18515	17820	17935	0.17	10098
Dhaniya	7364	7475	7356	7407	0.82	31080

Cereals						
Wheat	1668	1681	1652	1660	-0.90	5700

Oil and Oilseeds & Others						
Soyabean	2941	2951	2882	2892	-2.07	176080
Ref. Oil	648	649	642.5	643.9	-1.37	45000
CPO	534.5	536.5	531.3	533.6	-0.63	2214
FMSeed	3995	4038	3945	3955	-1.32	35050
Menthol	981	988.4	978.6	985.5	0.85	2131
Cotton	21320	21380	21240	21320	-0.14	1523

Currency						
USDINR	65.51	65.54	65.38	65.41	-0.23	1000562
EURINR	70.58	70.77	70.49	70.69	-0.13	35235
GBPINR	81.86	81.92	81.67	81.73	-0.40	40495
JPYINR	58.96	58.96	58.75	58.90	-0.30	13147

Gold prices slipped lower as the U.S. dollar regained some strength ahead of a highly-anticipated vote on U.S. President Donald Trump's healthcare bill.

Silver gained buoyed by a dip in the dollar, as weaker than expected economic data weighed on the greenback.

Crude oil prices recovered from lows supported by a fall in Saudi exports to the United States.

Copper dropped with striking union members agreeing to return to work at the world's top copper mine, in Chile.

Zinc gained as broader investor sentiment revived as disruptions piled up in the zinc market.

Nickel prices dropped after update the Philippines' environment ministry has allowed eight suspended nickel ore miners to ship out stockpiles of mined ore.

Natural gas prices gained with traders betting that low production and rising demand for exports mean supplies are tightening despite waning cold weather.

Ref soyoil ended with losses tracking weakness in spot demand as demand and supplies seems to be steady.

Mentha oil edged higher amid rise in physical demand for mentha oil in the domestic spot market.

Soyabean prices dropped on profit booking due to higher supplies compared to last week.

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Turmeric prices ended with losses due to higher arrivals and lower demand physical demand.

Jaara prices pared all of its gains on profit booking after prices rallied on expectation of rising exports demand in coming months.



MCX Gold Apr 2017

TRADING IDEA

OPEN	28763	SUP-2	28650	Gold trading range for the day is 28650-28900.
HI GH	28828	SUP-1	28722	Gold prices slipped lower as the U.S. dollar regained some strength ahead of a highly-anticipated vote on U.S. President Donald Trump's healthcare bill.
LOW	28703	P.P.	28775	Gold prices have been supported by expectations that the Fed will raise interest rates more slowly than some had feared.
CLOSE	28793	RES-1	28847	Bullard said that just one more rate hike this year would be appropriate following a rise earlier this month.
% CNG	-0.02	RES-2	28900	BUY GOLD APR 2017 @ 28650 SL 28650 TGT 28970-29050.MCX



Gold prices settled flat, but gained on weekly basis as concern about the ability of U.S. President Donald Trump to push legislation through Congress pressured the dollar. The dollar remained near seven-week lows against a basket of currencies ahead of a vote on a healthcare bill, formally called the American Health Care Act. Gold, seen as a safe haven asset, has benefited from falls in the dollar, U.S. bond yields and stocks this week as Trump's difficulty in passing healthcare reform has undermined faith that he can deliver on promises of tax cuts and investment. The Federal Reserve's delicate interest-rate hikes are necessary given the economy is stable and any further fall in unemployment could lead to an inflation run-up, one of the most influential U.S. central bankers, Dudley, said. Gold prices have been supported by expectations that the Fed will raise interest rates more slowly than some had feared. In top consumer China, premiums fell to about \$10 to \$12 an ounce against the international benchmark from levels over \$20 last week. Premiums in China had risen as supply of the precious metal was limited due to tightening import restrictions to stem currency outflows. Premiums were quoted in a 70 cents to \$1.20 range in Hong Kong, from the 70 cents to \$1.10 an ounce level seen last week. In Singapore, premiums were seen slightly lower, within the 80 to 90 cents range, against \$1.20 an ounce in the week before. Technically market is under fresh selling as market has witnessed gain in open interest by 2.99% to settled at 4209, now Gold is getting support at 28722 and below same could see a test of 28650 level, And resistance is now likely to be seen at 28847, a move above could see prices testing 28900.

MCX Silver May 2017

TRADING IDEA

OPEN	41302	SUP-2	41045	Silver trading range for the day is 41045-41861.
HI GH	41518	SUP-1	41288	Silver gained buoyed by a dip in the dollar, as weaker than expected economic data weighed on the greenback.
LOW	41210	P.P.	41453	Fed's delicate interest-rate hikes are necessary given the economy is stable and any further fall in unemployment could lead to an inflation run-up.
CLOSE	41530	RES-1	41696	The Commerce Department said, orders for core durable goods, a category that excludes aircraft and military goods rose 0.4% in February.
% CNG	0.56	RES-2	41861	BUY SILVER MAY 2017 @ 41840 SL 41550 TGT 41780-41850.MCX



Silver on MCX settled up 0.56% at 41530 buoyed by a dip in the dollar, as weaker than expected economic data and fears that President Trump failed to secure enough Republican votes to push a key healthcare bill through congress weighed on the greenback. The outcome of a vote on a bill to repeal and replace parts of Obamacare remained front and centre on Friday, as investors worried that a negative outcome would cast a doubt on Trump's ability to push through more 'market sensitive' legislation such as a tax reform. Bullard said that just one more rate hike this year would be appropriate following a rise earlier this month, but that he would not fight a second one. Dudley said that "delicate" policy changes were necessary. The U.S. dollar index continued to stabilize near four-month lows, as a more subdued economic outlook from the Federal Reserve kept demand for the greenback lighter following last week's rate hike. In economic news, the Eurozone economy strengthened to a nearly six-year high in March, according to a composite measure of service and manufacturing activity. The Commerce Department said, orders for core durable goods, a category that excludes aircraft and military goods, rose 0.4% in February, which was less than forecast of a 0.5% rise. The Federal Reserve's delicate interest-rate hikes are necessary given the economy is stable and any further fall in unemployment could lead to an inflation run-up, one of the most influential U.S. central bankers, Dudley, said. Technically market is under short covering as market has witnessed drop in open interest by -5.76% to settled at 12638, now Silver is getting support at 41288 and below same could see a test of 41045 level, And resistance is now likely to be seen at 41696, a move above could see prices testing 41861.



MCX Crudeoil Apr 2017

TRADING IDEA

OPEN	3145	SUP-2	3106	Crudeoil trading range for the day is 3106-3176.
HI GH	3158	SUP-1	3124	Crude oil prices recovered from lows supported by a fall in Saudi exports to the United States.
LOW	3123	P.P.	3141	Saudi Arabia said its crude exports to the United States would fall by around 300,000 barrels per day (bpd) between February and March.
CLOSE	3142	RES-1	3159	In US, overseas oil suppliers like Saudi Arabia have to compete against rising shale drilling, which has pushed up U.S. oil production.
% CNG	-0.03	RES-2	3176	BUY CRUDEOIL APR 2017 @ 3150 SL 3120 TGT 3185-3215.MCX



Crude oil prices recovered from lows supported by a fall in Saudi exports to the United States, but overall markets remained under pressure on the back of a world market awash with fuel. The increase came as Saudi Arabia said its crude exports to the United States would fall by around 300,000 barrels per day (bpd) between February and March. In the United States, overseas oil suppliers like Saudi Arabia have to compete against rising shale drilling, which has pushed up U.S. oil production by more than 8 percent since mid-2016 to just above 9.1 million bpd. To other major consumer regions, however, Saudi exports remain high despite an effort led by the Organization of the Petroleum Exporting Countries (OPEC), and supported by other producers including Russia, to cut output by 1.5 million bpd during the first half of the year. Data shows that OPEC shipments to Asia, the world's biggest and fastest growing oil consuming region, were at 17.6 million bpd in March, up more than 5 percent since January, when the cuts officially started, in a sign that OPEC is shielding its main customers from the supply reductions. Unless OPEC extends the curbs beyond June or makes bigger cuts, oil prices are at risk of falling further. Despite the OPEC-led cuts that began in January, Brent has fallen by over 13 percent from its 2017 highs in early January as other producers have stepped up and filled the gap. Technically now Crudeoil is getting support at 3124 and below some could see a test of 3106 level, And resistance is now likely to be seen at 3159, a move above could see prices testing 3176.

MCX Copper Apr 2017

TRADING IDEA

OPEN	382.0	SUP-2	375.7	Copper trading range for the day is 375.7-385.5.
HI GH	383.5	SUP-1	378.8	Copper dropped with striking union members agreeing to return to work at the world's top copper mine, in Chile.
LOW	379.0	P.P.	381.1	The strike at Chile's Escondida, is ending after workers decided to invoke a rarely used legal provision that allows them to extend their old contract.
CLOSE	380.8	RES-1	383.2	Copper stocks in LME approved warehouses have shot up 63 percent since March 2 to 312,525 tonnes while on warrant inventories have doubled.
% CNG	-0.81	RES-2	385.5	SELL COPPER APR 2017 @ 378.50 SL 380.50 TGT 375.80-372.80.MCX



Copper on MCX settled down -0.81% at 380.75 with striking union members agreeing to return to work at the world's top copper mine, in Chile. In the short term, investors were jittery on prospects that President Donald Trump's healthcare bill would not pass, suggesting he may not be able to muster the backing needed to push through fiscal measures central to the government's economic agenda. At the moment there is no fear of a lack of supply even though we have massive supply side issues across the board. The strike at Chile's Escondida, the world's largest copper mine, is ending after workers decided to invoke a rarely used legal provision that allows them to extend their old contract, the union said. China's refined metals imports were sharply lower in February, by 29 pct on the year for copper, also spooking the market over the strength of demand. Freeport-McMoRan Inc said Thursday that a nearly two-week strike has not materially impacted production levels at its Cerro Verde copper mine in Peru, the country's biggest, although the union said output has been cut in half. Confidence among Japanese manufacturers rose for a seventh straight month in March to a three-year high, while the service sector's mood held steady, highlighting an export-led economic recovery. Copper stocks in LME approved warehouses have shot up 63 percent since March 2 to 312,525 tonnes while on warrant inventories have doubled. Technically market is under fresh selling as market has witnessed gain in open interest by 5.81% to settled at 12905 while prices down -3.1 rupees, now Copper is getting support at 378.8 and below some could see a test of 375.7 level, And resistance is now likely to be seen at 383.2, a move above could see prices testing 385.5.



MCX Zinc Mar 2017

TRADING IDEA

OPEN	183.1	SUP-2	181.2	Zinc trading range for the day is 181.2-186.6.
HI GH	185.0	SUP-1	182.8	Zinc gained as broader investor sentiment revived as disruptions piled up in the zinc market.
LOW	182.3	P.P.	183.0	Commodity markets have soared since November on expectations Trump will increase spending on infrastructure.
CLOSE	184.4	RES-1	185.5	Noranda Income Fund said zinc output at its Quebec plant, was at 50-60 percent of normal operating levels as a five-and-a-half week long strike dragged on.
% CNG	0.38	RES-2	186.6	SELL ZINC MAR 2017 @ 183.50 SL 184.50 TGT 182.20-181.00.MCX



Zinc on MCX settled up 0.38% at 184.35 as broader investor sentiment revived as disruptions piled up in the zinc market. Noranda Income Fund said zinc output at its Quebec plant, the second-largest in North America, was at 50-60 percent of normal operating levels as a five-and-a-half week long strike dragged on. Zinc has doubled in price since it hit bottom in January of last year. As prices dimmed, many buyers probably made the mistake of thinking prices were too high, missing this spectacular rally. The tightening in zinc's raw material segment accelerated last year thanks to the closure of big mines such as Century, Lisheen and Glencore's suspension of 500,000 mt of annual mine capacity. LME zinc stocks currently stand just below 400,000 mt, much lower than the 1.2 million mt reported in 2013. In addition, it has been reported that more than 100,000 mt of exchange stocks were cancelled over the past two weeks. That leaves a remaining open tonnage of around 200,000 mt, the lowest since December 2005. Another sign that tightness in the raw materials market is feeding through into the refined metal part of the supply chain. The zinc market was in deficit in 2016, even though demand was modest, while fundamentals remain positive and global zinc demand is expected to grow 2.5% in 2017. Mine closures and cutbacks led the market into deficit last year, however "producers may require some further restraint in order for the deficit to be repeated in 2017." Technically market is under short covering as market has witnessed drop in open interest by -9.14% to settled at 4112, now Zinc is getting support at 182.8 and below same could see a test of 181.2 level, And resistance is now likely to be seen at 185.5, a move above could see prices testing 186.6.

MCX Nickel Mar 2017

TRADING IDEA

OPEN	653.2	SUP-2	634.0	Nickel trading range for the day is 634-659.4.
HI GH	654.2	SUP-1	639.2	Nickel prices dropped after update the Philippines' environment ministry has allowed eight suspended nickel ore miners to ship out stockpiles of mined ore.
LOW	641.5	P.P.	646.7	The volume of nickel ore stocks from the mines may well exceed 1 million tonnes, or about a month's worth of consumption by top buyer China.
CLOSE	644.3	RES-1	651.9	The global market for refined nickel started the year with a 1,100-tonne deficit in the month of January due to robust demand growth from Asia and the Americas.
% CNG	-1.50	RES-2	659.4	SELL NICKEL MAR 2017 @ 646.00 SL 652.00 TGT 628.00-612.00.MCX



Nickel on MCX settled down -1.5% at 644.3 after update the Philippines' environment ministry has allowed eight suspended nickel ore miners to ship out stockpiles of mined ore temporarily boosting supply from the world's top exporter of the raw metal after a major crackdown. More than half of all mines in the Philippines have been ordered to permanently shut to protect watersheds in an eight-month campaign led by Environment and Natural Resources Secretary Regina Lopez. Allowing the halted mines to sell their stocked nickel ore is aimed at limiting the potential build up of silt in nearby waters, an official with knowledge of the order said, rather than the government toning down its campaign. The volume of nickel ore stocks from the mines may well exceed 1 million tonnes, or about a month's worth of consumption by top buyer China, said the official, who declined to be named because he is not authorized to discuss the matter publicly. The global market for refined nickel started the year with a 1,100-tonne deficit in the month of January due to robust demand growth from Asia and the Americas, a report from the International Nickel Study Group showed. Nearly all of the Philippines' nickel ore is sold to China where it is used to produce stainless steel. Philippine shipments reached 30.5 million tonnes last year, or 95 percent of China's total imports of the raw material. Technically market is under fresh selling as market has witnessed gain in open interest by 2.07% to settled at 28446 while prices down -9.8 rupees, now Nickel is getting support at 639.2 and below same could see a test of 634 level, And resistance is now likely to be seen at 651.9, a move above could see prices testing 659.4.



NCDEX Jeera Apr 2017

TRADING IDEA

OPEN	18010	SUP-2	17395	Jeera trading range for the day is 17395-18785.
HI GH	18515	SUP-1	17665	Jeera prices pared all of its gains on profit booking after prices rallied on expectation of rising exports demand in coming months.
LOW	17820	P.P.	18090	The carryover stock has dipped to about 2 lakh bags as against the normal 20-25 lakh bags, thereby reducing the availability.
CLOSE	17935	RES-1	18360	NCDEX accredited warehouses jeera stocks dropped by 93 tonnes to 411 tonnes.
% CNG	0.17	RES-2	18785	SELL JEERA APR 2017 @ 17900 SL 18020 TGT 17780-17850. NCDEX



Jeera on NCDEX settled up 0.17% at 17935 on expectation of rising exports demand in coming months. Though, some gains were capped on heavy arrivals from the producing regions. Reports showed that 7,671 tons of jeera arrived during March 20-23 compared to 5,302 tons during previous week same period. On the export front, India in 2016-17 is likely to cross 1.2 lt against 94,352 tons a year ago, while the exports increase by 36.7% to 93,724 tons in first 9 month of marketing year 2016/17. As per data, during Mar 20-23 about 7,671 tonnes of jeera arrived compared to 5,302 tonnes during previous week same period. On the export front, India in 2016-17 is likely to cross 1.2 lt against 94,352 tonnes a year ago while the exports increase by 36.7% to 93,724 tonnes in first 9 month of marketing year 2016/17 as per the data release by Dept of commerce, GOI. As per second advance estimates for 2016/17, production of Jeera in Gujarat will be 2.21 lt, down almost 11% compared to last year production of 2.38 lt. Lower carryover stock coupled with higher export demand may push up jeera prices, as traders fear tight supply conditions in the coming months. The carryover stock has dipped to about 2 lakh bags (each of 55 kg) as against the normal 20-25 lakh bags, thereby reducing the availability even as the demand for exports and domestic consumption remains firm. Technically market is under short covering as market has witnessed drop in open interest by -1.64% to settled at 10098 while prices up 30 rupees, now Jeera is getting support at 17665 and below same could see a test of 17395 level, And resistance is now likely to be seen at 18360, a move above could see prices testing 18785.

NCDEX Turmeric Apr 2017

TRADING IDEA

OPEN	6440	SUP-2	6174	Turmeric trading range for the day is 6174-6638.
HI GH	6548	SUP-1	6264	Turmeric prices ended with losses due to higher arrivals and lower demand physical demand.
LOW	6316	P.P.	6406	The supplies are improving and there is good demand for the new season crop too.
CLOSE	6352	RES-1	6496	NCDEX accredited warehouses turmeric stocks gained by 80 tonnes to 1405 tonnes.
% CNG	-1.43	RES-2	6638	BUY TURMERIC APR 2017 @ 6300 SL 6220 TGT 6380-6480. NCDEX



Turmeric on NCDEX settled down -1.43% at 6352 due to higher arrivals and lower demand physical demand. The demand for the new season turmeric in recent weeks is lower from the up country traders. The supplies are improving and there is good demand for the new season crop too. The harvesting is going on in key producing states – Maharashtra, Tamilnadu and Karnataka. The turmeric arrivals in the country are higher at 115,205 tonnes during Mar 1-20 compared to 30,945 tonnes during previous month, as per data. On the export front, country exported about 82,115 tonnes during April-Dec period, up by 28% compared to last year exports of 64,105 tonnes, as per government data. In coming days, arrivals are expected to increase which could put pressure over prices. Prices may decline due to pressure of arrivals but improved domestic and export demand for the new turmeric may support prices. New crop arrivals have started in all the major producing centres of Andhra Pradesh, Telangana, Maharashtra, Odisha. At Nizamabad market sources reported arrivals at 17000 quintals, up by 1000 quintals from previous trading day. At Warangal market estimated market supply was at 200 bags, steady as against previous day's arrival. At Erode market sources reported arrivals at 6000 quintals, higher by 300 quintals from previous trading day. Technically market is under long liquidation as market has witnessed drop in open interest by -0.4% to settled at 11080 while prices down -92 rupees, now Turmeric is getting support at 6283 and below same could see a test of 6173 level, And resistance is now likely to be seen at 6495, a move above could see prices testing 6637.



MCX Menthaoil Apr 2017

TRADING IDEA

OPEN	981.0	SUP-2	974.7	Menthaoil trading range for the day is 974.7-994.3.
HIGH	988.4	SUP-1	980.6	Mentha oil spot at Sambhal closed at 1124.30 per 1kg. Spot prices was remain unchangeby Rs.0.00/-.
LOW	978.6	P.P.	984.5	Mentha oil edged higher amid rise in physical demand for mentha oil in the domestic spot market.
CLOSE	986.5	RES-1	990.4	Further, tight stocks position on higher supplies from producing regions, too supported mentha oil prices.
% CHG	0.85	RES-2	994.3	SELL MENTHAOIL APR 2017 @ 990.00 SL 1002.00 TGT 975.00-984.00 MCX



Menthaoil on MCX settled up 0.85% at 986.5 amid rise in physical demand for mentha oil in the domestic spot market. Further, tight stocks position on higher supplies from producing regions, too supported mentha oil prices. However, some gains were capped by speculation that sowing activity had been increased in key production areas of Uttar Pradesh. As cash is the primary mode of transaction in agriculture sector which contributes 15% to India's total output. Earlier it was estimated that total area under Mentha planting will drop by 20% to 1.75 lakh ha for this season resulting into a proportionate fall in Mentha oil production this year. While sentiments is improved after the report titled, "World Essential Oil Market - Opportunities and Forecasts, 2015 - 2022," the world essential oil market released last year which expects industry to reach \$11.5 billion by 2022, with a CAGR of 10.1% from 2016 to 2022. As some of the key driving factors of the market are rising inclination towards natural products, growing popularity of relaxation therapies, increasing disposable income resulting in better standards of living, and growing awareness of the probable side effects of chemical substances. At Sambhal market arrivals were reported at 80 Drums(1-drum:180kg), higher by 10 Drums(1-drum:180kg) as compared to previous day. At Chandausi market, Mentha Oil is trading lower at Rs. 1050 per Kg, down by 0.66 per cent as compared to previous day. Technically market is under fresh buying as market has witnessed gain in open interest by 37.22% to settled at 2131 while prices up 8.3 rupees, now Menthaoil is getting support at 980.6 and below same could see a test of 974.7 level, And resistance is now likely to be seen at 990.4, a move above could see prices testing 994.3.

DAILY MARKET LEVEL FOR METAL AND ENERGY

COMMODITIES	GOLD	SILVER	CRUDE	NAT.GAS	COPPER	ZINC	NICKEL	ALUMINUM	LEAD
CLOSE	28793	41530	3142	200.3	380.75	184.35	644.3	126.15	153.3
RESISTANCE	28972	42104	3194	206.2	387.6	188.2	664.6	127.5	156.8
	28900	41861	3176	203.8	385.5	186.6	659.4	126.9	155.8
	28847	41696	3159	202.0	383.2	185.5	651.9	126.6	154.6
P. POINT	28775	41453	3141	199.0	381.1	183.9	646.7	126.0	153.6
	28722	41288	3124	197.8	378.8	182.8	639.2	125.7	152.4
SUPPORT	28650	41045	3106	195.4	376.7	181.2	634.0	125.1	151.4
	28597	40880	3089	193.6	374.4	180.1	626.5	124.8	150.2
OI	4209	12636	21703	4776	12905	4112	28446	1561	1832
TREND	Negative	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
SPREAD	144	495	46.00	5.40	4.25	0.40	7.40	0.35	0.25



NEWS YOU CAN USE

Britain-based banks that want to shift to anywhere in Europe may get an expedited entry, though with conditions attached, and there will not be any relaxation of standards, European Central Bank Executive Board member and Vice-Chair for Banking Supervision Sabine Lautenschlager said. In the event of a "hard" Brexit, the UK will become a "third country" for the European Union, which means the British banks would lose their European passport and access to the Single Market, Lautenschlager said. Many of the 40 UK banking groups would have to apply for a banking license in an EU country to regain the passport, which are granted by the ECB. Applying for a banking license in the EU is a lengthy process. "We are aware that it is a burden for UK banks to apply for a new licence in the EU," Lautenschlager noted. "With a view to internal models, we would aim to be accommodating regarding the timing." She said there will be a transitional period in which new euro area entities might use internal models that have not yet been approved by the ECB. However, the easier entry would be on the basis that the relevant internal models must have been approved by the UK's Prudential Regulation Authority. And the banks must have sought internal model approval in the euro area.

Saudi Arabia maintained its spot as China's top oil supplier in February, two months into the first OPEC output cuts in almost a decade, despite a near 13 percent fall in shipments from a year ago, data showed. China imported 4.77 million tonnes of crude oil from Saudi Arabia, or about 1.24 million barrels per day, according to data from the Chinese General Administration of Customs. Russia was China's second-biggest supplier with shipments of 4.29 million tonnes, or 1.12 million bpd, a gain of 4.5 percent on a year earlier. Angola ranked third with supplies falling 32 percent to a daily rate of just under 850,000 bpd, the data showed. The Organization of the Petroleum Exporting Countries is curbing its output by about 1.2 million barrels per day (bpd) from Jan. 1 for six months, the first reduction in eight years. Russia and other non-OPEC producers agreed to cut half as much.

Vegetable oil import is likely to decline during the current oil year (November '16 to October '17), the first such in six years. This is likely due to an estimated increase in domestic output and a decline in consumer demand after a demonetisation-driven liquidity crisis in the three months since November. Since consumption of edible oil is a daily affair and cannot be deferred, the fall in demand could not be made up. Trade sources estimate import to decline by five per cent or 700,000 tonnes this year. This would cut the import bill proportionately. About 55 per cent of India's 23.5 million tonnes (mt) of annual edible oil consumption is met through import, primarily from Indonesia, Malaysia and Argentina. After normal monsoon rain during the 2016 season, the Union ministry of agriculture had forecast oilseed output to surpass its previous record of 32.75 mt in 2013-14 to 33.59 mt this year, according to its Second Advanced Estimate, published on February 15. The latter figure would be a third higher than the previous year. Dorab Mistry, Director, Godrej International, estimates the additional edible oil output at 1.5 mt for the current oil year. The ministry reported total domestic oil output at 9.54 mt for 2015-16. Put together, that means 11.04 mt of edible oil output for 2016-17. "Import might go up if demand of oilmeal (a derivative) is suitably backed up. Growth in per capita consumption has slowed, a bearish factor for import. And, the import industry has become more

DAY	TIME	ZONE	ECONOMICAL DATA	EXP	PREV
	1:30pm	EUR	German Ho Business Climate	111.2	111
	1:30pm	EUR	M3 Money Supply y/y	0.049	0.049
	1:30pm	EUR	Private Loans y/y	0.023	0.022
	10:45pm	USD	FOMC Member Evans Speaks		

Mon

Greece will not last in the eurozone in the long run and officials working on a review of its bailout package should prepare for such a possibility, a senior member of the Bavarian sister party of Chancellor Angela Merkel's conservatives said. Greece has lost a quarter of its national output since it first sought financial aid in 2010. Its current bailout package is the third in seven years. "Greece is unlikely to survive in the eurozone over the long term," Bavarian Finance Minister Markus Soeder told the Handelsblatt newspaper in an interview published. Soeder urged officials working on the bailout review to develop a "Plan B" or alternative plan. "We'll see if Greece meets the conditions. I'm very skeptical," Soeder said, adding that the participation of the International Monetary Fund was essential. Soeder's Christian Social Union is the Bavarian sister party of Merkel's Christian Democrats and has long accused Greece of failing to implement reforms promised under its bailout packages. Germany faces a national election in September and the anti-euro Alternative for Germany party (AfD), which has been particularly critical of euro zone bailouts, is expected to perform well.

Wheat farmers in Uttar Pradesh are a worried lot. Procurement of the foodgrain by government agencies in the State is meagre and a likely bumper harvest this year is stoking fears of a further slide in prices. UP contributes almost a third to the country's total wheat production, with an annual output of around 25-27 million tonnes. But the procurement target set by the Food Ministry for UP is just 3 million tonnes for this year. Procurement of wheat by State agencies in UP has been poor historically but last year it was significantly lower. Of the State's total marketable surplus in wheat in 2015-16, only 4 per cent was procured by government agencies (State and Central put together) at the Minimum Support Price (MSP). This was down from 14 per cent in the previous year. With arrivals about to start after a bumper wheat crop, farmers fear that wheat prices can fall unless procurement increases. From about Rs. 1,830/quintal in January, wheat prices have come down to Rs. 1,746/quintal now. The MSP of wheat is Rs. 1,825/quintal. Last fiscal, 73.4 per cent of the marketable surplus of wheat in Punjab was procured by government agencies. The share of Punjab in overall wheat production in the country is, however, much lower at 17.8 per cent. Similarly, almost 70 per cent of the marketable surplus of wheat in Haryana was procured last fiscal, showing UP in a poor light.



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