

Daily Commodity Report as on Monday, May 29, 2017



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



	Open	High	Low	Close	% Cng	OI
Precious Metals						
Gold	28715	28904	28705	28888	0.79	3417
Silver	39854	40195	39795	40091	0.73	15641

Base Metal						
Alum.	126.6	126.9	125.7	125.9	-0.32	1947
Copper	371.4	372.6	365.4	367.4	-1.16	16390
Lead	134.9	136.6	133.85	136.05	1.34	3311
Nickel	584.5	586.4	578.6	584.8	0.48	30375
Zinc	170	170.8	168.5	170.25	0.41	3494

Energy						
Crude	3149	3220	3119	3213	1.10	11434
Nat. Gas	212.5	215.2	210.4	214.2	1.52	6713

Spices						
Cardamom	985	989.9	950	950.8	-3.91	447
Turmeric	5380	5450	5348	5424	0.59	13735
Jeera	17625	17960	17500	17880	1.19	12141
Dhaniya	5147	5359	5120	5345	3.73	37280

Cereals						
Wheat	1601	1614	1597	1610	0.56	19340

Oil and Oilseeds & Others						
Soyabean	2730	2778	2706	2761	0.62	113800
Ref. Oil	629.65	629.8	621.2	621.85	-1.56	40850
CPO	509	509	502.1	502.7	-1.41	2634
RMSeed	3531	3584	3517	3571	0.88	54110
Menthol	909.4	935	907.5	930.1	2.43	1638
Cotton	21090	21200	21020	21100	0.14	5496

Currency						
USDINR	64.81	64.89	64.67	64.70	-0.29	1115404
EURINR	72.74	72.84	72.58	72.63	-0.30	52229
GBPINR	83.65	83.73	83.20	83.25	-1.09	28821
JPYINR	58.14	58.44	58.13	58.38	0.47	9689



Market Round up

Gold prices gained as political uncertainty led investors to favor bullion over assets considered riskier such as stocks.

Silver prices gained as the dollar retreated with investors shying away from riskier assets following a tumble in oil prices.

Crude oil settled higher on short covering after dropped in previous session after investor disappointment that OPEC curbs did not go far enough

Copper dropped as momentum sparked by a strike at copper mines, Indonesia's Grasberg, eased ahead of the long weekend break in China, the U.S. and Britain.

Zinc gained as support seen after Shanghai zinc inventories fell to their lowest in more than two years at 91,749 tonnes.

Nickel gained on short covering tracking LME prices after trade data showed that the Philippines is ramping up ore exports to China.

Natural prices ended with gains as recent weather forecasts have consistently called for natural gas demand to be slightly stronger than normal.

Ref soyoil ended with losses tracking weakness in spot demand and other oilseed counters.

Mentha oil prices ended with gains on the back of pick up in spot demand.

Soyabean gained on short covering after prices dropped earlier due to lower demand in the domestic market.

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Turmeric prices ended with gains on short covering amid firmness in spot market.

Jeera gained on short covering after prices dropped earlier as export and local demand is likely to poor.



MCX Gold Jun 2017

TRADING IDEA

OPEN	28715	SUP-2	28633	Gold trading range for the day is 28633-29031.
HIGH	28904	SUP-1	28760	Gold prices gained as political uncertainty led investors to favor bullion over assets considered riskier such as stocks.
LOW	28705	P.P.	28832	San Francisco Federal Reserve President John Williams said he is spending more time thinking about how fiscal policies under U.S. President Donald Trump could impact the economy.
CLOSE	28888	RES-1	28959	Federal Reserve Governor Lael Brainard said that a brighter global economy is posing less risk to the Fed's outlook for the U.S.
% CNG	0.79	RES-2	29031	BUY GOLD JUN 2017 @ 28900 SL 28800 TGT 29020-29150.MCX



Gold on MCX settled up 0.79% at 28888 as a fresh round of geopolitical jitters, this time pinned to North Korea, offset generally gold-negative sentiment stemming from expectations for higher interest rates. San Francisco Federal Reserve President John Williams said he is spending more time thinking about how fiscal policies under U.S. President Donald Trump could impact the economy, and so far he sees small short-term gains and little for the longer term. Federal Reserve Governor Lael Brainard said that a brighter global economy is posing less risk to the Fed's outlook for the U.S. The number of Americans filing for unemployment benefits rose slightly last week and the four-week moving average of claims hit a 44-year low, suggesting a further tightening of the labor market that could encourage the Federal Reserve to raise interest rates next month. China's net gold imports via main conduit Hong Kong dropped 33.5 percent in April from the previous month, data showed. Net gold imports by the world's top consumer fell to 74,202 tonnes from 111,647 tonnes in March, according to data by the Hong Kong Census and Statistics Department. Total gold imports slid to 81,475 tonnes in April from 116.68 tonnes in March. French President Emmanuel Macron offered to help British Prime Minister Theresa May marshal support in the fight against terrorism on Friday, days after a suicide bomber killed 22 people in Manchester. May, at her first G7 meeting since becoming prime minister last year, was set to urge the world's major industrialized nations to encourage technology firms to stop militants moving "from the battlefield to the internet". Technically now Gold is getting support at 28760 and below same could see a test of 28633 level, And resistance is now likely to be seen at 28959, a move above could see prices testing 29031.

MCX Silver Jul 2017

TRADING IDEA

OPEN	39854	SUP-2	39627	Silver trading range for the day is 39627-40427.
HIGH	40195	SUP-1	39859	Silver prices gained as the dollar retreated with investors shying away from riskier assets following a tumble in oil prices.
LOW	39795	P.P.	40027	Pressure seen on prices in the week after minutes from the Fed appeared to show that the majority of the central bank's officials remain resolute about hiking rates.
CLOSE	40091	RES-1	40259	Growth of the U.S. economy in the first quarter was revised even higher expected, according to official data.
% CNG	0.73	RES-2	40427	BUY SILVER JUL 2017 @ 40000 SL 39800 TGT 40280-40540.MCX



Silver on MCX settled up 0.73% at 40091 as the dollar retreated with investors shying away from riskier assets following a tumble in oil prices. President Donald Trump reportedly said Friday at his bilateral meeting with Japanese Prime Minister Shinzo Abe that the "big problem" of North Korea's ambitions for a nuclear weapon will be dealt with, telling reporters that "you can bet on that," according to Politico and other news outlets. Pressure seen on prices in the week after minutes from the Fed appeared to show that the majority of the central bank's officials remain resolute about hiking rates at their meeting in June. U.S. orders for long lasting manufactured goods fell less than forecast in April, although the core reading unexpectedly dipped, giving a mixed symbol for the U.S. economy at the beginning of the second quarter, according to official data. Total durable goods orders, which include transportation items, decreased by 0.7% last month, the Commerce Department said. March's orders were revised up to show a gain of 2.3% from a previously reported 0.7% increase. Growth of the U.S. economy in the first quarter was revised even higher expected, according to official data. The second estimate of first quarter (Q4) growth domestic product (GDP) showed growth of 1.2%, compared to an initial reading of 0.7%. San Francisco Federal Reserve President John Williams said he is spending more time thinking about how fiscal policies under U.S. President Donald Trump could impact the economy, and so far he sees small short-term gains and little for the longer term. Technically now Silver is getting support at 39859 and below same could see a test of 39627 level, And resistance is now likely to be seen at 40259, a move above could see prices testing 40427.



MCX Crudeoil Jun 2017

TRADING IDEA

OPEN	3149	SUP-2	3083	Crudeoil trading range for the day is 3083-3285.
HIGH	3220	SUP-1	3148	Crude oil settled higher on short covering after dropped in previous session after investor disappointment that OPEC curbs did not go far enough
LOW	3119	P.P.	3184	The OPEC-led decision to extend a production cut to March 2018 disappointed financial investors, prompting an exit from oil futures markets.
CLOSE	3213	RES-1	3249	OPEC and some non-OPEC producers extended a pledge to cut 1.8 million barrels per day (bpd) of output until the end of the first quarter of 2018.
% CNG	1.10	RES-2	3285	BUY CRUDEOIL JUN 2017 @ 3210 SL 3180 TGT 3256-3300.MCX



Crudeoil on MCX settled up 1.1% at 3213 after sinking in the previous session, following investor disappointment that the OPEC-led deal extension failed to include deeper cuts to rein in the glut in supply. The OPEC-led decision to extend a production cut to March 2018 disappointed financial investors, prompting an exit from oil futures markets, while refiners in Asia were mostly concerned with whether it meant they would need to go hunting for crude. In Vienna, the Organization of the Petroleum Exporting Countries (OPEC) and some non-OPEC producers extended a pledge to cut 1.8 million barrels per day (bpd) of output until the end of the first quarter of 2018. U.S. oil production has already risen by 10 percent since mid-2016 to over 9.3 million bpd, close to the output of top producers Russia and Saudi Arabia. Goldman Sachs warned that the biggest risk to oil markets was what would happen next year, at the end of the OPEC-led production cut. With U.S. output rising steadily and OPEC and its allies potentially ramping up production in 2018 to regain lost market share, many traders already expect another price slump. Investors are questioning to what extent the deal will encourage a further rise in U.S. shale activity and what happens after the deal expires next year. U.S. production has increased by over 10% since mid-2016 to some 9.3 million barrels a day. Technically now Crudeoil is getting support at 3148 and below same could see a test of 3083 level, And resistance is now likely to be seen at 3249, a move above could see prices testing 3285.

MCX Copper Jun 2017

TRADING IDEA

OPEN	371.4	SUP-2	361.3	Copper trading range for the day is 361.3-375.7.
HIGH	372.6	SUP-1	364.4	Copper dropped as momentum sparked by a strike at copper mines, Indonesia's Grasberg, eased ahead of the long weekend break in China, the U.S. and Britain.
LOW	365.4	P.P.	368.5	Freeport McMoRan Inc said that mining and milling rates at its Grasberg mine in Papua, Indonesia have been affected by an extended strike.
CLOSE	367.4	RES-1	371.6	China bonded copper premiums jumped \$10 to \$75, off the year's lows to the highest since March amid drawdowns from Chinese exchange inventories.
% CNG	-1.16	RES-2	375.7	BUY COPPER JUN 2017 @ 367.50 SL 365.00 TGT 369.20-372.00.MCX



Copper on MCX settled down -1.16% at 367.4 as momentum sparked by a strike at copper mines, Indonesia's Grasberg, eased ahead of the long weekend break in China, the U.S. and Britain. Freeport McMoRan Inc said that mining and milling rates at its Grasberg mine in Papua, Indonesia have been affected by an extended strike, and a "large number" of about 4,000 absentee workers were deemed to have resigned. National Australia Bank sees a largely balanced market for 2017 and a small surplus in 2018, with prices averaging \$5,720 a tonne. China's structural reforms will slow the pace of its debt build-up but will not be enough to arrest it, and another credit rating cut for the country is possible down the road unless it gets its ballooning credit in check, officials at Moody's said. China bonded copper premiums jumped \$10 to \$75, off the year's lows to the highest since March amid drawdowns from Chinese exchange inventories. Premiums for zinc to China on a cost insurance and freight basis rose \$5 to \$135, the highest since March 2016. The world refined copper market in Jan-Feb was in a surplus of 150,000 tn due to decline in demand from China, The International Copper Study Group said. The usage of refined metal grew 1.5% in Europe and 6% in Asia, excluding China. However, demand in China fell by 9.5% and in North and South American countries by 1%, dragging down total usage in Jan-Feb by 3%, the report said. China accounts for 47% of global refined copper demand, according to the report. Technically now Copper is getting support at 364.4 and below same could see a test of 361.3 level, And resistance is now likely to be seen at 371.6, a move above could see prices testing 375.7.



MCX Zinc May 2017

TRADING IDEA

OPEN	170.0	SUP-2	167.6	Zinc trading range for the day is 167.6-172.2.
HIGH	170.8	SUP-1	169.0	Zinc gained as support seen after Shanghai zinc inventories fell to their lowest in more than two years at 91,749 tonnes.
LOW	168.5	P.P.	169.9	Zinc spot premiums in Guangdong contracted rapidly due to increased supplies.
CLOSE	170.3	RES-1	171.3	The National Bureau of Statistics (NBS) data show China's zinc production fell 5.6% year-on-year to 474,000 tonnes in April.
% CNG	0.41	RES-2	172.2	BUY ZINC MAY 2017 @ 169.80 SL 168.00 TGT 170.80-172.00.MCX



Zinc on MCX settled up 0.41% at 170.25 as support seen after Shanghai zinc inventories fell to their lowest in more than two years at 91,749 tonnes. Prices also seen supported after imports of the metal into China rose, underlining potential shortages. Imports of refined zinc to China increased 21 per cent in April to 47,469 tonnes year-on-year while shipments of ore and concentrates jumped 44 per cent, customs data showed. Industry sources said that China is stepping up imports as dwindling global supplies of concentrate following mine closures hit local output of the metal. Zinc spot premiums in Guangdong contracted rapidly due to increased supplies. Spot premiums on zinc in Guangdong contracted from 300-350 yuan per tonne last week to around 200 yuan per tonne against front month zinc contract on the Shanghai Futures Exchange (SHFE). Spot premiums fell from 270 yuan per tonne in the morning trading to around 150 yuan per tonne later the day on May 25. The National Bureau of Statistics (NBS) data show China's zinc production fell 5.6% year-on-year to 474,000 tonnes in April. China's zinc production during the first four months of 2017 totaled 1.958 million tonnes, up 0.7% year-on-year. WBMS reported global zinc market witnessed 86,000 tonnes of surplus during January-March. World's zinc market was in a 235,000 tonnes of deficit in 2016. Global zinc inventories fell 39,000 tonnes, according to WBMS March report. LME zinc inventories decreased 13,000 tonnes in March, with those in late March down 57,000 tonnes compared to late 2016. Technically now Zinc is getting support at 169 and below same could see a test of 167.6 level, And resistance is now likely to be seen at 171.3, a move above could see prices testing 172.2.

MCX Nickel May 2017

TRADING IDEA

OPEN	584.5	SUP-2	575.5	Nickel trading range for the day is 575.5-591.1.
HIGH	586.4	SUP-1	580.2	Nickel gained on short covering tracking LME prices after trade data showed that the Philippines is ramping up ore exports to China.
LOW	578.6	P.P.	583.3	BHP Billiton is seeking environmental approval to dig two new mines to extend the life of its Nickel West unit in the state of Western Australia.
CLOSE	584.8	RES-1	588.0	U.S. orders for long lasting manufactured goods fell less than forecast in April, although the core reading unexpectedly dipped.
% CNG	0.48	RES-2	591.1	BUY NICKEL MAY 2017 @ 585.00 SL 575.00 TGT 594.00-602.00.MCX



Nickel on MCX settled up 0.48% at 584.8 on short covering tracking LME prices closed up 0.4 percent at \$9,075 a tonne after trade data in the week showed that the Philippines is ramping up ore exports to China, fuelling concerns of oversupply. Also pressure seen as Moody's Investors Services has cut China's debt rating to A1 from Aa3 – the first cut since 1989. Also sentiments also dropped after the news that BHP Billiton is seeking environmental approval to dig two new mines to extend the life of its Nickel West unit in the state of Western Australia, which is facing a shortfall in ore supply. Nickel West, which produces about 5 percent of the world's nickel metal, has lodged an application with the Environmental Protection Authority of Western Australia to clear 842 hectares (2,080 acres) for two open pit mines, according to the authority's website. One stainless steel mill in southwest China adjusted production plan from April given poor demand in the stainless steel market. The plant, originally producing about 45,000-50,000 tonnes of stainless steel per month, has shifted to producing common-carbon steel. After the shift, the plant's monthly stainless steel output is about 30,000 tonnes. Growth of the U.S. economy in the first quarter was revised even higher expected, according to official data. The second estimate of first quarter (Q4) growth domestic product (GDP) showed growth of 1.2%, compared to an initial reading of 0.7%. Technically now Nickel is getting support at 580.2 and below same could see a test of 575.5 level, And resistance is now likely to be seen at 588, a move above could see prices testing 591.1.



NCDEX Jeera Jun 2017

TRADING IDEA

OPEN	17625	SUP-2	17320	Jeera trading range for the day is 17320-18240.
HIGH	17960	SUP-1	17600	Jeera gained on short covering after prices dropped earlier as export and local demand is likely to poor.
LOW	17500	P.P.	17780	Jeera exports are expected to touch 120,000 ton in the just ended financial year 2016-17.
CLOSE	17880	RES-1	18060	NCDEX accredited warehouses jeera stocks dropped by 9 tonnes to 1776 tonnes.
% CNG	1.19	RES-2	18240	SELL JEERA JUN 2017 @ 17950 SL 18100 TGT 17880-17750.NCDEX



Jeera on NCDEX settled up 1.19% at 17880 on short covering after prices dropped earlier as export and local demand is likely to poor. Jeera exports are expected to touch 120,000 ton in the just ended financial year 2016-17. As per Exchange circular, there will be additional margin of 5% on both sides from Monday, 29, May 2017, in addition to existing additional margin. The arrivals have slowed down in the physical market but the trade has been slow down. As per data, about 8661 tonnes of jeera arrived in May (1-25) compared to 29,322 in April (1-25). On the export front, country the exports increase by 29.6% to 1,08,513 tonnes in first 11 month of marketing year 2016/17 as per the data release by Dept of commerce, GOI. The stock levels in the NCDEX warehouse is dropping to 1,395 tonnes on May 24, fall from 2,092 tonnes a week ago. However, on 1 st May the stock was close to 964 tonnes. Last year, stocks were higher at 4,101 tonnes. At Patan market in Patan(Guj.), total arrivals are at 67 quintals, lower by 4 quintals as compared to previous day. At Dhrol market in Jamnagar(Guj.), sources reported arrivals at 17 quintals, up by 8 quintals from previous day's arrivals. At Rajkot market in Rajkot(Guj.), estimated market supply was at 480 quintal, higher by 120 quintal from previous trading day. Technically market is under short covering as market has witnessed drop in open interest by -10.44% to settled at 12141 while prices up 210 rupees, now Jeera is getting support at 17600 and below same could see a test of 17320 level, And resistance is now likely to be seen at 18060, a move above could see prices testing 18240.

NCDEX Turmeric Jun 2017

TRADING IDEA

OPEN	5380	SUP-2	5306	Turmeric trading range for the day is 5306-5510.
HIGH	5450	SUP-1	5366	Turmeric prices ended with gains on short covering amid firmness in spot market.
LOW	5348	P.P.	5408	Better production prospects, rising stocks and low export and domestic demand continued pressurizing prices.
CLOSE	5424	RES-1	5468	NCDEX accredited warehouses turmeric stocks gained by 20 tonnes to 6657 tonnes.
% CNG	0.59	RES-2	5510	SELL TURMERIC JUN 2017 @ 5550 SL 5650 TGT 5450-5340.NCDEX



Turmeric on NCDEX settled up 0.59% at 5424 on short covering amid firmness in spot market after prices dropped in the absence of support from domestic stockists or exporters amid rising supplies. Better production prospects, rising stocks and low export and domestic demand continued pressurizing prices. Andhra Pradesh government projected 2016-17 turmeric crops at 155,000 ton up from 121,000 ton in the previous year. According to traders 2016-17 output is seen at 7.5 million bags of 70 kg each and with over stock of nearly 3 million bags total availability is expected around 10.5 million bags. Country exported 97,596 ton turmeric during April-Feb up 26.6% compared to last year exports of 77,087 ton. Medium quality turmeric arrived for sale at the Erode market. Only 2,000 bags of medium quality turmeric arrived for sale and traders purchased limited stocks for their local supply to turmeric grinding units and also for Masala firms. At the Erode Turmeric Merchants Association Sales yard finger turmeric was sold at Rs. 5,889 to Rs. 7,179 a quintal, and the root variety at Rs. 5,566 to Rs. 6,209 a quintal. Of the arrival of 722 bags 227 bags were sold. At the Regulated Marketing Committee finger turmeric at Rs. 6,099 to Rs. 7,089 a quintal, and the root variety at Rs. 5,199 to Rs. 6,093 a quintal. Of the 381 bags kept for sale, 343 bags were sold. Technically market is under short covering as market has witnessed drop in open interest by -3.38% to settled at 13735 while prices up 32 rupees, now Turmeric is getting support at 5365 and below same could see a test of 5305 level, And resistance is now likely to be seen at 5467, a move above could see prices testing 5509.



MCX Menthaoil Jun 2017

TRADING IDEA

OPEN	909.4	SUP-2	896.7	Menthaoil trading range for the day is 896.7-951.7.
HIGH	935.0	SUP-1	913.4	Mentha oil spot at Sambhal closed at 1063.20 per 1kg. Spot prices was up by Rs.6.00/-.
LOW	907.5	P.P.	924.2	Mentha oil prices ended with gains on the back of pick up in spot demand.
CLOSE	930.1	RES-1	940.9	Tight stocks position following restricted arrivals from major producing belts in Uttar Pradesh also provided supported prices.
% CNG	2.43	RES-2	951.7	BUY MENTHAOIL JUN 2017 @ 928.00 SL 918.00 TGT 936.00-948.00.MCX



Menthaoil on MCX settled up 2.43% at 930.1 on the back of pick up in spot demand. Besides, tight stocks position following restricted arrivals from major producing belts of Chandausi in Uttar Pradesh also provided support to mentha oil prices. Total production of mentha oil during the current season is 32,000-34,000 tonnes against preliminary estimates of around 40,000 tonnes. Unfavourable weather conditions during harvesting period led to the drop in production. On the demand side, the seasonal demand emerges during winter season, especially from the pharma sector. Sources mentioned that nearly 14500 MT of mint products were exported in six months of the current financial year. This implies that export demand for the complete financial year can be between 27000 and 29000 MT quite cheaper, versus 23000 of total exports last year. Farmers are keeping most of the stocks in their hands. Short term outlook remain weak as first of all prices are trading below 980 level mark while the huge carryover stock of mentha oil and also prices trading with weakness leading to a glut with synthetic mint oil garnering larger share of the market. As on now stock positions of Mentha in MCX accredited warehouses were around 3709 drums which is 36 drums less in comparison to previous day, while in process was 96 drums, which is 12 drums more against the previous day. Technically market is under fresh buying as market has witnessed gain in open interest by 1.87% to settled at 1638 while prices up 22.1 rupees, now Menthaoil is getting support at 913.4 and below same could see a test of 896.7 level, And resistance is now likely to be seen at 940.9, a move above could see prices testing 951.7.

DAILY MARKET LEVEL FOR METAL AND ENERGY

COMMODITIES	GOLD	SILVER	CRUDE	NAT.GAS	COPPER	ZINC	NICKEL	ALUMINUM	LEAD
CLOSE	28888	40091	3213	214.2	367.4	170.25	584.8	125.9	136.1
RESISTANCE	29158	40659	3350	221.0	378.8	173.6	595.8	127.9	140.0
	29031	40427	3285	218.1	375.7	172.2	591.1	127.4	138.3
	28959	40259	3249	216.2	371.6	171.3	588.0	126.7	137.2
P. POINT	28832	40027	3184	213.3	368.5	169.9	583.3	126.2	135.5
SUPPORT	28760	39859	3148	211.4	364.4	169.0	580.2	125.5	134.4
	28633	39627	3083	208.5	361.3	167.6	575.5	125.0	132.7
	28561	39459	3047	206.6	357.2	166.7	572.4	124.3	131.6
OI	3417	15641	11434	6713	16390	3494	30375	1947	3311
TREND	Positive	Positive	Positive	Positive	Negative	Positive	Positive	Negative	Positive
SPREAD	165	470	29.00	2.80	3.90	0.50	5.50	0.00	1.1



NEWS YOU CAN USE

Financial stability risks in the euro zone are contained but remain significant and have even increased in some areas over the past six months, the European Central Bank said in a regular stability review. Concerns over debt sustainability have risen, while the clean up of the banking sector is slow and the risk of a sudden repricing in bond markets remains significant, potentially leading to major capital losses, the ECB said. The warning comes as the euro zone is enjoying its best economic run in a decade, raising expectations that the ECB could soon start to unwind its massive stimulus measures. "Risks to euro area sovereign debt sustainability have increased over the past six months," the ECB said. "In recent weeks, however, euro area spreads narrowed and sovereign stress conditions improved somewhat following the result of the presidential election in France." The ECB added that risks stemming from a further rapid repricing in global fixed income markets are mostly related to spillovers from the United States but a prolonged period of elevated political uncertainty or higher-than-expected euro area inflationary pressures could also act as triggers. "Repricing risks in fixed income markets remain significant," the ECB said. "There are... risks that euro area bond yields could increase abruptly without a simultaneous improvement in growth prospects."

Chicago Federal Reserve President Charles Evans signaled a cautious stance toward further U.S. interest-rate increases in remarks prepared for delivery in Tokyo, saying that below-target U.S. inflation is "a serious policy outcome miss." While the U.S. economy, now at 4.4 percent unemployment, has returned to "essentially" full employment, inflation has run below the Fed's 2-percent target for a full eight years, Evans told a conference sponsored by the Bank of Japan and the Institute for Monetary and Economic Studies. "I believe demonstrating a strong commitment to our objectives by trying harder to hit our symmetric inflation objective sooner rather than later is key to actually achieving this goal." Evans did not lay out exactly how that effort should translate into interest-rate policy, and he did not give any new forecasts for the U.S. economic outlook. But Evans, who votes on U.S. monetary policy this year under a rotating voting system, hinted his preference is for a slow path of rate hikes. He argued that conservative central bankers are more worried than they should be that their "soft-hearted" colleagues will try to keep unemployment unsustainably low, and to compensate for "this misreading ... conservative central bankers (would) pursue overly restrictive conditions on average and deliver lower-than-optimal inflation," Evans said.

The Union Cabinet's approval of a 10.9 per cent hike in the Fair and Remunerative Price (FRP) of sugarcane to Rs 255 per quintal for season 2017-18 has worried mills because a bumper crop is anticipated from an expected normal monsoon. Sugar production could rise from last season's 20.3 million tonnes, which has been the lowest since 2009-10. Despite less sugar production this season, prices have remained at Rs 40-41 a kg in most retail markets. A government note said the decision to raise prices was part of the its "pro-farmer initiatives, keeping in mind the interests of sugar cane farmers and the importance of the sugar industry". As of now cane arrears in UP is around Rs 3,500 which was more than four times compared to last year. It also said that 99.33 per cent of the dues of farmers for the 2014-15 sugar season had been cleared. The figure is 98.5 per cent for the 2015-16 sugar season. The cane price arrears for the current sugar season (2016-17) are the lowest in the past five years of the corresponding period. However, Reddy said that the industry had the feeling that several of its concerns had not been addressed. While the goods and services tax rate for sugar has been set at 5 per cent, the 18 per cent rate for ethanol and 28 per cent for molasses were high, she said.

DAY	TIME	ZONE	ECONOMICAL DATA	EXP	PREV
	1:30pm	EUR	M3 Money Supply y/y	0.052	0.053
	1:30pm	EUR	Private Loans y/y	0.025	0.024
	All Day	USD	Bank Holiday		
	6:30pm	EUR	ECB President Draghi Speaks		

Mon

Japan's exports rose in April to mark their fifth straight month of gains, as shipments of semiconductors and steel expanded, signaling that more robust overseas demand could underpin a steady economic recovery. Exports rose 7.5 percent in April from a year ago, below the median estimate of 7.8 percent annual growth, finance ministry data showed on Monday. It followed a 12.0 percent rise in March. The data also showed Japan's trade surplus with the United States narrowed. Exports to the United States increased 2.6 percent in April from a year ago, gaining for the third straight month due to larger shipments of cars and auto parts. But Japan's trade surplus with the United States fell 4.2 percent in April from a year ago to 586.7 billion yen (\$5.27 billion). Japan's exports are expected to continue rising as global economic growth gains momentum, but concerns about U.S. President Donald Trump's pledges to adopt protectionist trade policies cloud the outlook for export-reliant Japan. The drop in Japan's trade surplus with the United States, however, could take some pressure off Japan as it makes it more difficult for Trump to justify criticizing Japan for its trade practices. Japan's economy grew in the first quarter at the fastest rate in a year to mark the longest period of expansion in a decade, thanks to solid exports and a helpful boost from private consumption. In terms of volume, exports rose 4.1 percent in April from a year ago, the third consecutive month of gains, another sign of overseas demand picking up.

Output of natural rubber (NR) in the country last month, the first of the current financial year, showed a rise of 23.1 per cent from the same period a year before, at 48,000 tonnes from the earlier 39,000 tonnes. "If this trend continues, production of NR during the fiscal (year) will reach the anticipated 800,000 tonnes," said A Ajith Kumar, chairman, Rubber Board, and a million tonnes (mt) next year. Current annual demand in the domestic market is around 1.1 mt. The Board said it had focused on improving the input supply chain, to ensure it reached farmers in time. Another focus was on bringing more untapped areas into production (last year, the production area rose by eight per cent). To improve quality and production, around 10,000 tappers were trained last year and this has helped to improve the productivity by 25 per cent. The Board has given a three-year plan to the government, to make rubber cultivation more remunerative, among other things. It has been implementing various plans at regional and field levels, with the cooperation of Rubber Producers Societies, to raise the productivity of plantations.



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