

Bullion Gold

On Thursday, spot gold prices rose by half a percent at \$1224.4 per ounce as U.S. and European stock markets retreated, though it pared gains after data showing a tightening jobs market and accelerating inflation briefly lifted the dollar and pulled U.S. bond yields from earlier lows.

New applications for U.S. jobless benefits unexpectedly fell last week, while producer prices rebounded strongly in April, pointing to a tightening labour market and rising inflation that could spur the Federal Reserve to raise interest rates in June

On the MCX, gold prices rose marginally by 0.03 percent to close at Rs.28004 per 10 gms.

Silver

Spot silver prices rose by 0.9 percent on Thursday to close at \$16.3 per ounce in line with rise in gold prices although the trend remains weak in the counter.

On the MCX, silver prices rose by 0.11 percent to close at Rs.37992 per kg.

Outlook

We expect gold prices to trade lower today as major fundamentals point out towards further pressure in the yellow metal. Good economic data further points out optimism in the US economy in turn negative for gold prices.

On the MCX, gold prices are expected to trade lower today, international markets are trading higher by 0.1 percent at \$1226 per ounce.

Technical Outlook valid for May 12, 2017

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1221/1217	1230/1235
MCX GOLD JUN'17 (Rs/10GMS)	27900/27800	28100/28200
NCDEX GOLD HEDGE JULY'17 (Rs/KG)	25260/25170	25440/25540
SPOT SILVER (\$/OZ)	16.30/16.20	16.50/16.70
MCX SILVER MAY'17 (Rs/KG)	37700/37500	38200/38500

Market Highlights (% change)

as on May 11, 2017

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	64.4	0.31	-0.3	0.2	3.2
Euro/\$ (Spot)	1.1	-0.05	-1.1	2.4	-0.6
Dollar Index	99.6	0.0	0.8	-0.9	25.4
NIFTY	9422.4	0.16	0.7	2.0	20.0
SENSEX	30251.0	0.01	0.4	1.6	65.4
DJIA	20919.4	-0.11	-0.2	2.3	18.1
S&P	2394.44	-0.2	0.2	1.7	16.0

Gold (% change)

as on May 11, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
GOLD (SPOT)	1224.4	0.47	-0.2	-3.9	15.4
GOLD (SPOT - MUMBAI)	27975.0	-0.62	-0.8	-2.5	11.5
COMEX	1222.7	0.44	-0.3	-4.9	-3.3
MCX(JUNE'17)	28004.0	0.03	-0.2	-4.1	12.1

(Comex, Gold spot in \$ per ounce, MCX, Gold spot Mumbai in Rs/10 gms) Source: Reuters

Silver (% change)

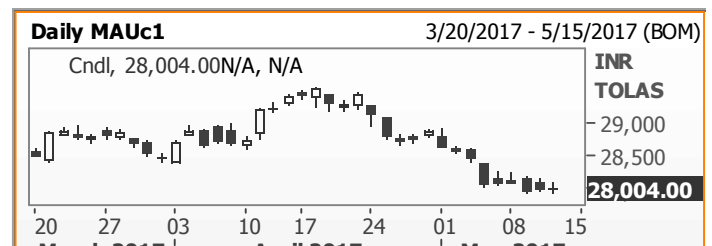
as on May 11, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
SILVER (SPOT)	16.3	0.9	0.1	-11.0	17.5
SILVER (SPOT - MUMBAI)	38500.0	0.9	-0.5	-8.0	#N/A
COMEX	16.2	0.4	0.0	-12.4	-5.1
MCX (MAY'17)	37992.0	0.11	0.8	-9.9	13.8

(Comex in \$ per ounce, MCX, Silver spot in Rs/kg)

Source: Reuters

MCX Gold Chart



Source: Reuters

Energy

Crude Oil

WTI oil prices rose by 1.1 percent on Thursday to close at \$47.8 per barrel s support grew for OPEC output cuts a day after the U.S. government reported a big draw in crude inventories, boosting confidence that a global glut might diminish.

On Wednesday, the U.S. Energy Department reported that U.S. crude stockpiles posted their biggest weekly drawdown since December as imports dropped sharply. Inventories of refined products also fell.

On the MCX, oil prices rose marginally by 0.2 percent to close at Rs.3089 per barrel.

Outlook

We expect oil prices to trade higher today as comments by the OPEC members to further boost the compliance on oil output cut will be a positive for oil markets which is troubled by higher inventories across the globe.

On the MCX, oil prices are expected to trade higher today, international markets are trading higher by 0.21 percent at \$47.93 per barrel.

Technical Outlook

valid for May 12, 2017

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	47.10/46.55	48.60/49.30
MCX CRUDE MAY'17 (RS/BBL)	3040/3000	3130/3180
BRENT CRUDE MAY'17 (RS.BBL)	3230/3190	3320/3370

Market Highlights - Crude Oil (% change) as on May 11, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	48.4	2.3	3.4	-11.8	32.1
NYMEX CRUDE (JUNE'17)	47.8	1.1	5.1	-10.4	3.5
ICE BRENT CRUDE (JUNE'17)	50.8	1.1	4.9	-9.7	39.2
MCX CRUDE (MAY'17)	3089.0	0.2	5.4	-10.4	26.5

(Brent & NYMEX Crude in \$ per bbl, MCX Crude in Rs/bbl)

Source: Reuters

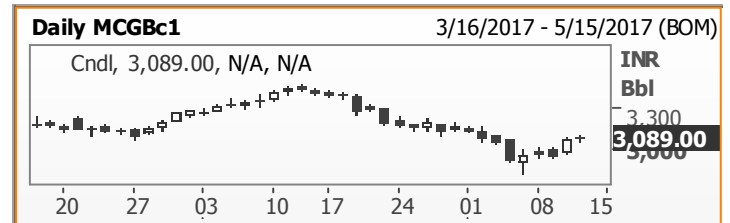
Market Highlights - Natural Gas (% change) as on May 11, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	3.36	2.60	5.33	6.16	48.61
MCX NG (MAY'17)	217.80	2.06	6.61	6.82	47.56

(NYMEX NG in \$/MMbtu, MCX NG in Rs/MMbtu)

Source: Reuters

MCX Crude Oil Chart



Source: Reuters

Base Metals

LME base metals traded mostly higher yesterday as a result of short covering after sharp fall in prices following disappointing economic numbers from China.

MCX base metals traded mostly higher yesterday in line with trends from international markets.

Copper

LME Copper prices gained 0.8 percent yesterday to one week high levels as sharp plunge in prices earlier this week following unfavourable economic data from China, gave way to short covering.

Chinese consumer price index (CPI) rose 1.2 percent year on year in April, well below the government's annual target of around 3 percent set for 2017. Besides, Producer price index (PPI) rose 6.4 percent year on year in April, down from 7.6 percent in March, in the first month-on-month decline since July last year. Earlier this week, prices came under pressure after Chinese refined copper imports dropped by 30 percent to 300,000 tonnes in April compared to the previous month.

Also, LME Copper stocks are still at the highest since last October after a whopping surge of 37 percent last week.

MCX Copper prices traded higher by 0.2 percent to close at Rs.358.9/kg on Thursday.

Outlook

LME Copper prices are currently trading flat at \$5542/t. Prices are expected to trade lower today as string of disappointing data releases from China this week will hurt demand. Besides, high inventories at both LME and Shanghai warehouses still fuel supply glut concerns. Also, investors will cautiously await G7 Meetings later this week.

We expect MCX copper prices to trade lower today.

Technical Outlook

valid for May 12, 2017

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER JUN'17	355/352	361/364
MCX ZINC MAY'17	165/164	168/169
MCX LEAD MAY'17	139/138	141/142
MCX ALUMINUM MAY'17	119.50/118	122/123
MCX NICKEL MAY'17	593/584	608/615

Market Highlights – Base Metals (% change) as on May 11, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper (3 month)	5543.0	0.8	0.0	-3.9	17.1
MCX Copper (JUN'17)	358.9	0.2	0.1	-3.9	12.7
LME Aluminum(3 month)	1873.5	0.4	-2.3	-2.5	22.1
MCX Aluminum (MAY'17)	120.9	0.2	-1.7	-2.3	19.5
LME Nickel(3 month)	9295.0	1.6	3.2	-5.6	7.1
MCX Nickel (MAY'17)	598.4	1.3	3.2	-6.2	4.1
LME Lead(3 month)	2177.0	-0.6	-0.8	-3.4	21.6
MCX Lead (MAY 17)	140.0	-1.2	-0.9	-4.0	17.4
LME Zinc(3 month)	2586.5	-0.6	0.5	0.4	58.7
MCX Zinc (MAY'17)	166.4	-0.8	0.7	0.2	55.1

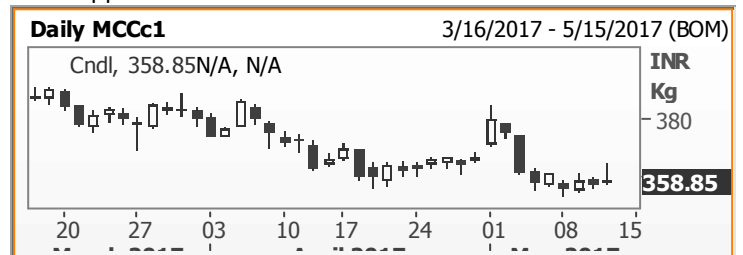
Source: Reuters

LME Inventories in tonnes

COMMODITY	10/5/17	9/5/2017	CHG	%CHG
COPPER	336725	339200	-2475	-0.73%
ALUMINIUM	1564800	1570575	-5775	-0.37%
NICKEL	381834	381378	456	0.12%
ZINC	347200	346725	475	0.14%
LEAD	178325	178975	-650	-0.36%

Source: Reuters

MCX Copper Chart



Source: Reuters

Economic indicators to be released on 12-May-17

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
G7 Meetings	All	Day 1	-	-	-	High
CPI m/m	US	6:00pm	-	0.3%	-0.3%	High
Core CPI m/m	US	6:00pm	-	0.2%	-0.1%	High
Core Retail Sales m/m	US	6:00pm	-	0.5%	0.0%	High
Retail Sales m/m	US	6:00pm	-	0.6%	-0.2%	High
FOMC Member Harker Speaks	US	10:00pm	-	-	-	Medium

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