Bullion

Gold

On Wednesday, spot gold prices declined marginally by 0.05 per cent to close at $1237.1 per ounce as Dollar edged higher. On the MCX, gold prices declined by 0.34 percent to close at Rs.30952 per 10 gms.

Dollar might be pressurized by fall in the U.S. Treasury yield to its lowest level since mid-September raising concerns over economic growth.

Market focus might now move toward the US Federal Reserve's monetary policy. Markets expect a fourth rate hike by FED in 2018 in its meeting in this month.

Silver

Spot silver prices declined by 0.1 per cent on Wednesday to close at $14.5 per ounce in line with rise in gold prices.

On the MCX, silver prices declined by 0.15 per cent to close at Rs.37426 per kg.

Outlook

We expect gold prices to trade higher today as dollar might decline over renewed concerns of slowdown in economic growth.

On the MCX, gold prices are expected to trade sideways today, international markets are trading higher by 0.15 percent at $1244.45 per ounce.

Technical Outlook valid for December 06, 2018

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD ($/OZ)	1232/1227	1244/1250
MCX GOLD DEC'18 (Rs/10GMS)	30900/30780	31200/31350
SPOT SILVER ($/OZ)	14.3/14.2	14.6/14.8
MCX SILVER DEC'18 (Rs/KG)	37100/36700	37800/38100

Market Highlights (% change)

as on December 05, 2018

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/$ (Spot)	70.6	-0.04	-1.1	2.6	-8.8
Euro/$(Spot)	1.1	0.00	-0.4	-0.7	-4.1
Dollar Index	97.1	0.1	0.3	1.1	22.2
NIFTY	10782.9	-0.80	-0.7	1.7	6.5
SENSEX	35884.4	-0.69	-0.8	1.8	96.2
DJIA	25027.1	-3.10	1.1	-2.4	3.5
S&P*	2700.06	-3.2	-1.4	-4.0	2.7

Gold (% change)

as on December 05, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
GOLD (SPOT)	1237.5	-0.05	1.1	1.0	-2.3
GOLD (SPOT - MUMBAI)	30875.0	-0.16	1.7	#N/A	6.1
COMEX	1237.1	0.00	1.1	1.2	-1.9
MCX Gold	30847.0	-0.34	2.1	-2.3	6.6

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

Silver (% change)

as on December 05, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
SILVER (SPOT)	14.5	-0.1	1.4	-0.4	-9.9
SILVER (SPOT - MUMBAI)	36500.0	-0.5	-1.9	#N/A	-8.3
COMEX	14.5	1.0	1.5	0.0	-9.1
MCX Silver	37426.0	-0.15	2.6	-4.4	-0.5

(Comex in $ per ounce, MCX, Silver spot in Rs/kg) *Source: Reuters*

Energy

Crude Oil

WTI oil prices declined by 0.7 percent to close at $52.9 per barrel on account of slide in global equities. Also, investors remained cautious ahead of the OPEC which will be held today.

China and the United States agreed during a weekend meeting in Argentina of the Group of 20 leading economies not to impose additional trade tariffs for at least 90 days while they hold talks to resolve existing disputes.

Crude oil prices have slipped by nearly30 percent since Oct'18. OPEC's crude oil production has risen by 4.1 percent since mid-2018, to 33.1 million barrels per day.

The Organization of the Petroleum Exporting Countries meets today to decide output in Vienna. The group, along with non-OPEC member Russia, is expected to announce cuts aimed at reining in a glut that has pulled down crude prices by around a third since October.

Outlook

We expect oil prices to trade sideways as OPEC meets today and possible output cuts might be reduced.

On the MCX, oil prices are expected to trade sideways today; international markets are trading higher by 0.98 percent at $52.37 per barrel.

Technical Outlook valid for December 06, 2018

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL ($/BBL)	51.9/51.0	53.4/54.1
MCX CRUDE DEC'18 (RS/BBL)	3750/3690	3860/3910
BRENT CRUDE ($/BBL)	60.6/59.8	62.1/62.8

Market Highlights - Crude Oil (% change) as on December 05, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	61.4	0.3	6.1	-11.2	-4.4
NYMEX CRUDE	52.9	-0.7	2.8	-14.2	-8.2
ICE BRENT CRUDE	61.6	-0.8	3.4	-14.6	-2.1
MCX CRUDE	3802.0	0.9	4.7	-16.5	2.1

(Brent & NYMEX Crude in $ per bbl, MCX Crude in Rs/bbl) *Source: Reuters*

Market Highlights - Natural Gas (% change) as on December 05, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	4.4	-0.8	-3.3	26.0	52.7
MCX NG	314.2	-1.3	-3.0	22.1	67.5

(NYMEX NG in $/MMbtu, MCX NG in Rs/MMBtu) *Source: Reuters*

Base Metals

On Wednesday, Base metal prices on the LME rose marginally except Lead and Copper which declined by 0.4 and 0.5 percent respectively. LME Zinc rose 1.5 percent to close at $2621.5 per tonne, the most amongst all the Base metals. Zinc prices rallied over Shortages in the refined Zinc sector which has pushed the LME inventories down.

China's Ministry of Commerce expressed confidence that it will reach a trade deal with the U.S. but the markets seemed to be unconvinced. Trump again warned that he would impose more tariffs if the two sides cannot resolve their trade issues.

Rigid production cuts on steel expected by the investors has pushed China's construction steel rebar over 4 percent higher, which further supported steel-linked metals zinc and nickel.

Copper

On Wednesday, LME copper prices declined by 0.5 percent to close at $6175.0 per tonne. Concerns over growth in demand from China and whether the two biggest economies will be able to resolve its tariff war within the 90 day period pressurized Copper prices.

On the MCX, Copper rose by 0.6 percent to close at Rs.437.2 per kg in line with the international markets.

Outlook

LME Copper price is currently trading lower by 0.94 percent at $6135 per tonne. Uncertainty over U.S. and China trade tension continues to weighs on base metal prices.

On the MCX, copper prices are expected to trade sideways today.

Technical Outlook valid for December 06, 2018

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER Nov'18	433/429	441/445
MCX ZINC Nov'18	187/185.5	190/191.5
MCX LEAD Nov''18	139.3/137.8	141.5/143
MCX ALUMINUM Nov'18	138.5/137	141.5/143
MCX NICKEL Nov'18	785/770	802/813
MCX BRASS Nov'18	375/371	381/385

Market Highlights – Base Metals (% change) as on December 05, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper (3 month)	6175.0	-0.5	-0.6	0.4	-5.6
MCX Copper	437.2	0.6	2.5	-1.2	3.2
LME Aluminum (3 month)	1973.0	0.2	2.0	-0.6	-4.0
MCX Aluminum	140.1	0.3	3.7	-2.0	6.1
LME Nickel (3 month)	11220.0	0.8	1.9	-4.7	2.9
MCX Nickel	793.1	0.9	3.8	-6.5	12.9
LME Lead (3 month)	1986.0	-0.4	2.8	2.7	-20.4
MCX Lead	140.9	-0.2	5.2	1.1	-12.5
LME Zinc (3 month)	2621.5	1.5	6.5	6.3	-15.8
MCX Zinc	188.7	1.3	5.6	3.6	-6.2
MCX Brass	362.0	0.0	-4.4	-4.4	#N/A

Source: Reuters

LME Inventories in tonnes

COMMODITY	05/12/18	04/12/18	CHG	%CHG
COPPER	128200	130175	-1975	-1.52%
ALUMINIUM	1045250	1046275	-1025	-0.10%
NICKEL	211284	212796	-1512	-0.71%
ZINC	110700	111750	-1050	-0.94%
LEAD	104850	104975	-125	-0.12%

Source: Reuters

MCX Commodity Options

as on December 05, 2018

COMMODITY	STRIKE PRICE	OPEN	HIGH	LOW	CLOSE	% CHG
Gold call	31000.00	374.50	405.00	333.00	394.00	-0.04
Gold put	30900.00	376.00	376.00	300.00	307.00	-0.06
Silver Call	39000.00	623.00	666.00	585.00	633.00	-0.11
Silver Put	36000.00	749.50	775.00	713.00	745.00	0.08
Crude oil Call	3700.00	139.00	221.70	139.00	184.30	0.08
Crude oil Put	3700.00	127.00	146.30	72.10	90.90	-0.14
Copper Call	440.00	13.21	13.70	12.37	13.28	-0.06
Copper Put	435.00	14.84	15.85	14.64	14.94	0.12
Zinc Call	190.00	3.22	4.65	3.22	3.58	-0.05
Zinc Put	175.00	1.33	1.33	1.33	1.33	0.04

Economic indicators to be released on 6-Dec-18.

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
OPEC Meetings	ALL	ALL DAY	-	-	-	High
MPC Member Ramsden Speaks	UK	4:30PM	-	-	-	Medium
ADP Non-Farm Employment Change	US	7:45PM	-	195K	227K	Medium
ISM Non-Manufacturing PMI	US	9:30PM	-	59.1	60.3	High
Crude Oil Inventories	US	10:30PM	-	-1.3M	3.6M	Medium
FOMC Member Bostic Speaks	US	11:45PM	-	-	-	Medium

Research Team

Prathamesh Mallya
Chief Analyst (Non-Agro Commodities & Currency)
prathamesh.mallya@angelbroking.com
Direct - (022) 3095 0334
Board line- 4000 3600 Extn :6134

Yash Sawant
Research Associate
yash.sawant@angelbroking.com
(022) 3095 0336
Board line:4000 3600 Extn: 6136

Angel Commodities Broking Pvt. Ltd.
Registered Office: G-1, Ackruti Trade Centre, Rd. No. 7, MIDC, Andheri (E), Mumbai - 400 093.
Corporate Office: 6th Floor, Ackruti Star, MIDC, Andheri (E), Mumbai - 400 093. Tel: (022) 2921 2000
MCX Member ID: 12685 / FMC Regn No: MCX / TCM / CORP / 0037 NCDEX: Member ID 00220 / FMC Regn No: NCDEX / TCM / CORP / 0302