

Bullion Gold

On Monday, spot gold prices rose marginally by 0.16 percent to close at \$1282.7 per ounce as prices traded near a more than six-month peak hit early on Monday but was headed for its first annual decline since 2015, having lost this year to dollar strength due to trade tensions and rising interest rates by the U.S. Federal Reserve.

Spot prices have gained about 5 percent so far in December, the most since January 2017, but are still down 1.6 percent in the year to date.

On the MCX, gold prices rose 0.9 percent to close at Rs.31391 per 10 gms.

Silver

Spot silver prices rose 0.9 percent to close at \$15.5 per ounce in line with rise in gold prices while bargain hunting at lower levels also acted as a positive factor.

On the MCX, silver prices gained by 0.13 percent to close at Rs.39310 per kg.

Outlook

We expect gold prices to trade higher today continuing its momentum from the previous trading session while rate hike factor by the US FED is something that needs a close watch.

On the MCX, gold prices are expected to trade flat, international markets trading flat at \$1282 per ounce.

Technical Outlook valid for January 01, 2018

| COMMODITY | SUPPORT | RESISTANCE |
|----------------------------|-------------|--------------|
| SPOT GOLD (\$/OZ) | 1279/1273 | 1290/1296 |
| MCX GOLD FEB'18 (Rs/10GMS) | 31280/31160 | 31470/316580 |
| SPOT SILVER (\$/OZ) | 15.4/15.2 | 15.7/15.9 |
| MCX SILVER MAR'18 (Rs/KG) | 38500/38100 | 39250/39600 |

Market Highlights (% change) as on December 31, 2018

| INDICES | LAST | CHANGE | WOW | MOM | YOY |
|---------------|---------|--------|------|------|------|
| INR/\$ (Spot) | 69.6 | 0.51 | 0.8 | 0.1 | -7.9 |
| Euro/(Spot) | 1.1 | 0.29 | 0.9 | 1.4 | -4.0 |
| Dollar Index | 96.2 | -0.2 | -0.8 | -0.9 | 21.0 |
| NIFTY | 10862.6 | 0.02 | 1.0 | -0.1 | 3.1 |
| SENSEX | 36068.3 | -0.02 | 0.9 | -0.3 | 97.2 |
| DJIA | 23327.5 | 1.15 | 3.9 | -8.7 | -5.6 |
| S&P* | 2506.85 | 0.8 | 3.7 | -9.2 | -6.7 |

Gold (% change) as on December 31, 2018

| COMMODITY | LAST | CHANGE | WOW | MOM | YOY |
|----------------------|---------|--------|-----|-----|------|
| GOLD (SPOT) | 1282.7 | 0.16 | 2.1 | 5.0 | -0.9 |
| GOLD (SPOT - MUMBAI) | 31550.0 | 0.00 | 1.1 | 4.3 | 8.4 |
| COMEX | 1278.3 | -0.13 | 2.0 | 3.6 | -1.2 |
| MCX Gold | 31391.0 | -0.66 | 0.6 | 3.8 | 8.2 |

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

Silver (% change) as on December 31, 2018

| COMMODITY | LAST | CHANGE | WOW | MOM | YOY |
|------------------------|---------|--------|-----|-----|-------|
| SILVER (SPOT) | 15.5 | 0.9 | 6.0 | 9.2 | -8.1 |
| SILVER (SPOT - MUMBAI) | 38200.0 | 0.0 | 4.1 | 7.0 | -0.5 |
| COMEX | 15.3 | 0.9 | 5.1 | 6.6 | -10.2 |
| MCX Silver | 39310.0 | 0.13 | 4.0 | 9.1 | -0.1 |

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

Source: Reuters

Energy

Crude Oil

WTI oil prices rose 0.2 percent on Monday to close at \$45.4 per barrel taking a cue from firmer stock markets, but remain on track for the first yearly decline in three years amid concerns of a supply glut.

Hints of progress on a possible U.S.-China trade deal helped bolster sentiment, which has been battered by concerns over a weaker global economic outlook.

U.S. President Donald Trump said he had a "long and very good call" with Chinese President Xi Jinping and that a possible trade deal between the United States and China was progressing well.

On the MCX, oil prices declined 0.5 percent to close at Rs.3170 per barrel.

Outlook

We expect oil prices to trade higher today on firm equities and possible solution between US and China on trade and tariff wars.

On the MCX, oil prices are expected to trade higher today, international markets are trading higher by 1.06 percent at \$45.41 per barrel.

Technical Outlook

valid for January 01, 2018

| COMMODITY | SUPPORT | RESISTANCE |
|---------------------------|------------|------------|
| NYMEX CRUDE OIL (\$/BBL) | 45.45/44.8 | 46.3/46.7 |
| MCX CRUDE Jan'18 (RS/BBL) | 3130/3070 | 3240/3300 |
| BRENT CRUDE (\$/BBL) | 53.7/53.3 | 54.55/55.0 |

Market Highlights - Crude Oil (% change) as on December 31, 2018

| COMMODITY | LAST | CHANGE | WOW | MOM | YOY |
|-----------------|--------|--------|------|-------|-------|
| BRENT (SPOT) | 50.5 | 0.0 | -2.6 | -12.2 | -24.0 |
| NYMEX CRUDE | 45.4 | 0.2 | -0.4 | -10.8 | -24.1 |
| ICE BRENT CRUDE | 53.8 | 3.1 | 0.0 | -8.4 | -19.4 |
| MCX CRUDE | 3170.0 | -0.5 | -2.0 | -11.4 | -17.0 |

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

Source: Reuters

Market Highlights - Natural Gas (% change) as on December 31, 2018

| COMMODITY | LAST | CHANGE | WOW | MOM | YOY |
|-----------|-------|--------|-------|-------|------|
| NYMEX NG | 3.0 | -9.8 | -19.0 | -36.1 | 1.0 |
| MCX NG | 212.2 | -8.7 | -20.0 | -33.1 | 12.8 |

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

Source: Reuters

Base Metals

On Monday, Base metals prices traded negative on the LME. Metal prices are pressurized by slowdown in economic activities in world's biggest metal consumer coupled with escalating trade tension between US and China.

China's Manufacturing sectors PMI declined below the 50 point level which is considered to be neutral level to 49.4 showing signs of further weakening in demand and hampers the outlook for economic growth. China's Non-Manufacturing PMI rose to 53.8.

LME confirmed to lift suspension on Aluminium produced by Russian Aluminium giant, Rusal if U.S. removes it from the sanction list.

Copper

On Monday, LME Copper prices declined marginally by 0.5 percent to close at \$5965.0 per tonne. Intensifying trade tension between US and China continue to weigh on the red metal.

Outlook

LME Copper price is currently trading Lower by 0.19 percent to trade at \$5981.0 per tonne. Slowdown on China's economic activity coupled with global growth concerns might weigh on the red metal prices.

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

Technical Outlook

valid for January 01, 2018

| COMMODITY (RS/KG) | SUPPORT | RESISTANCOE |
|----------------------|-------------|-------------|
| MCX COPPER FEB'18 | 404/399 | 412/416 |
| MCX ZINC DEC'18 | 169.8/167.5 | 174.2/176.7 |
| MCX LEAD DEC'18 | 137.9/135.8 | 142.4/144.3 |
| MCX ALUMINIUM DEC'18 | 125.8/124 | 129.9/131.1 |
| MCX NICKEL DEC'18 | 728/715 | 754/767 |
| MCX BRASS DEC'18 | 341/337 | 349/353 |

Market Highlights – Base Metals (% change) as on December 31, 2018

| COMMODITY | LAST | CHANGE | WOW | MOM | YOY |
|------------------------|---------|--------|------|------|-------|
| LME Copper(3month) | 5965.0 | -0.5 | -0.4 | -3.8 | -18.2 |
| MCX Copper | 407.8 | -2.3 | -2.3 | -4.4 | -13.1 |
| LME Aluminum (3 month) | 1853.0 | 0.3 | -2.8 | -5.0 | -18.6 |
| MCX Aluminum | 129.1 | -0.3 | -3.5 | -4.3 | -11.2 |
| LME Nickel (3 month) | 10645.0 | -0.9 | -2.1 | -4.1 | -13.8 |
| MCX Nickel | 739.4 | -0.6 | -2.6 | -3.7 | -6.1 |
| LME Lead (3 month) | 2010.5 | -1.6 | 2.5 | 2.9 | -20.5 |
| MCX Lead | 140.5 | -1.3 | 1.9 | 2.9 | -13.1 |
| LME Zinc (3 month) | 2454.0 | 0.3 | -1.4 | -3.2 | -25.6 |
| MCX Zinc | 174.0 | 0.1 | -1.9 | -4.6 | -18.1 |
| MCX Brass | 345.0 | 0.0 | 0.0 | -4.7 | #N/A |

Source: Reuters

LME Inventories in tonnes

| COMMODITY | 31/12/18 | 28/12/18 | CHG | %CHG |
|-----------|----------|----------|------|--------|
| COPPER | 132175 | 130025 | 2150 | 1.65% |
| ALUMINIUM | 1271200 | 1267125 | 4075 | 0.32% |
| NICKEL | 207330 | 207924 | -594 | -0.29% |
| ZINC | 129325 | 130200 | -875 | -0.67% |
| LEAD | 107450 | 107475 | -25 | -0.02% |

Source: Reuters

MCX Commodity Options

as on December 28, 2018

| COMMODITY | STRIKE PRICE | OPEN | HIGH | LOW | CLOSE | % CHG |
|----------------|--------------|--------|---------|--------|--------|-------|
| Gold call | 31500.00 | 263.00 | 365.00 | 263.00 | 320.00 | -0.28 |
| Gold put | 31000.00 | 127.00 | 210.00 | 127.00 | 193.50 | 0.51 |
| Silver Call | 39000.00 | 959.00 | 1000.00 | 842.50 | 982.00 | -0.03 |
| Silver Put | 38000.00 | 684.00 | 788.00 | 674.50 | 733.00 | -0.02 |
| Crude oil Call | 3200.00 | 160.00 | 173.10 | 110.00 | 123.90 | -0.14 |
| Crude oil Put | 3200.00 | 159.70 | 177.80 | 120.00 | 152.00 | -0.04 |
| Copper Call | 420.00 | 11.64 | 12.05 | 7.10 | 7.58 | -0.46 |
| Copper Put | 420.00 | 12.00 | 19.32 | 12.00 | 17.60 | 0.37 |
| Zinc Call | 172.50 | 4.82 | 4.82 | 4.30 | 4.64 | -0.08 |
| Zinc Put | 175.00 | 5.40 | 5.40 | 5.40 | 5.40 | 0.41 |

Economic indicators to be released on 1-Jan-19

| INDICATOR | COUNTRY | TIME (IST) | ACTUAL | FORECAST | PREVIOUS | IMPACT |
|--------------|---------|------------|--------|----------|----------|--------|
| Bank Holiday | GBP | ALL DAY | - | - | - | - |
| Bank Holiday | US | ALL DAY | - | - | - | - |

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MCX Member ID: 12685 / FMC Regn No: MCX / TCM / CORP / 0037 NCDEX: Member ID 00220 / FMC Regn No: NCDEX / TCM / CORP / 0302

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