



Bullion

Gold

Last week, spot gold prices rose marginally by 0.2 percent. Gold prices have risen over 10 percent after hitting 18 months low in August 2018 supported by falling global equities and weaker dollar.

Uncertainty over the US-China trade deal and slowdown in the global economic growth made investors shun riskier assets and increase demand for safe haven asset. Demand for riskier assets will further decrease as uncertainty over prolonged closure of the US government might weigh on the market sentiments in turn increasing the demand for Gold.

The rate hike pause by FED also supported the gold prices but increase in the risk appetite amongst investors coupled with strengthening of Dollar over global political tension restricted the gains.

Silver

Last week, spot silver prices rose by 0.26 percent to close at \$15.36 per ounce.

On the MCX, silver prices declined by 0.32 percent to close at Rs.39074 per kg.

Outlook

Re-opening of US government hampered the demand for the yellow metal. However, markets expect US Federal Reserve to keep interest rates unchanged this week supported the prices.

On the MCX, gold prices are expected to trade higher today; international markets are trading higher by 0.3 percent at \$1301.95 per ounce.

Technical Outlook

valid for January 28, 2019

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1297/1291	1308/1314
MCX GOLD FEB'18 (Rs/10GMS)	32260/32170	32420/32540
SPOT SILVER (\$/OZ)	15.6/15.4	15.9/16.1
MCX SILVER MAR'18 (Rs/KG)	39300/38900	40100/40450

Market Highlights (% change)

as on January 25, 2019

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	70.9	0.14	0.4	-1.4	-10.4
Euro/\$ (Spot)	1.1	0.95	0.4	-0.2	-7.9
Dollar Index	95.8	-0.8	-0.6	-0.6	20.6
NIFTY	10780.6	-0.64	-1.2	-0.7	-2.7
SENSEX	36025.5	-0.47	-1.0	-0.1	97.0
DJIA	24737.2	0.75	1.5	6.9	-6.3
S&P	2664.76	0.8	-0.2	7.2	-6.1

Gold (% change)

as on January 25, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
GOLD (SPOT)	1303.1	1.76	1.7	1.8	-3.3
GOLD (SPOT - MUMBAI)	32303.0	0.32	0.3	2.4	5.9
COMEX	1297.4	1.43	0.5	1.6	-4.3
MCX Gold	32343.0	1.03	0.8	2.4	6.5

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

Silver (% change)

as on January 25, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
SILVER (SPOT)	15.7	2.81	2.8	2.6	-9.0
SILVER (SPOT - MUMBAI)	38820.0	-0.21	-0.7	1.6	-4.7
COMEX	15.2	-0.52	-1.5	0.3	-13.2
MCX Silver	40285.0	2.10	1.3	2.6	-0.4

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

Source: Reuters



Energy

Crude Oil

Last week, WTI crude prices declined marginally by 0.2 percent. Output cuts by OPEC and its allies led to a surge in crude prices. Further support was provided over hopes that that China and Japan would take fiscal stimulus measures to improve their economic situation.

However, China's economy grew at a least pace in 28 years coupled with trade spat between US & China has raised global economic growth concerns in turn leading to a weaker demand prospects for energy.

Crude again started to gain upside momentum after US threatens to levy sanctions on OPEC member, Venezuela but the gains were capped after US data showed record high gasoline inventories coupled with a huge and unexpected crude stockpile.

Outlook

Global sentiments might weigh on the crude oil prices.

On the MCX, oil prices are expected to trade sideways today; international markets are trading higher by 0.61 percent at \$53.36 per barrel.

Technical Outlook

valid for January 28, 2019

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	52.9/52.3	53.9/54.3
MCX CRUDE Feb'18 (RS/BBL)	3740/3680	3870/3960
BRENT CRUDE (\$/BBL)	61.0/60.6	61.8/62.3

Market Highlights - Crude Oil (% change) as on January 25, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	61.9	0.6	-0.5	22.6	-13.0
NYMEX CRUDE	53.7	1.1	-0.2	18.4	-18.0
ICE BRENT CRUDE	61.6	0.9	-1.7	18.1	-12.5
MCX CRUDE	3812.0	0.6	-0.1	19.7	-9.0

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

Source: Reuters

Market Highlights - Natural Gas (% change) as on January 25, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	3.2	0.8	-7.0	-3.6	-7.9
MCX NG	224.5	0.6	-5.8	-3.4	0.8

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

Source: Reuters



Base Metals

Last week, Base metals continue to fluctuate over uncertainties of the outcome of the trade spat and slowdown in China, the world's biggest metal consumer. Lead rose sharply by 4.3 percent followed by Zinc which rose by 2.5 percent. China's lead output plunged 30.5 percent year-on-year to 561,000 tonne in December 2018.

China's economy grew at a pace of 6.6 percent in 2018 which is much lower than what was expected. Trade war between US and China hampered the outlook for economic growth in China which weighed on the base metals.

Aluminium production rose at its least pace in a decade in 2018 and most of the production was in the first half of 2018. It is the worst since the global financial crisis.

Copper

Last week, LME Copper declined 1.9 percent. Weak data from China rose demand concerns for base metals.

China's economy was pressurized by its trade spat with US which raised concerns over growth prospects in the coming years which weighed on the red metal prices.

Outlook

LME Copper price is currently trading lower by 0.66 percent to trade at \$6044.25 per tonne. Uptrend in the Dollar after rising political tension and slowdown in China's economic growth might continue to weigh on the Copper prices.

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

Technical Outlook

valid for January 28, 2019

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER FEB'19	425/421	433/438
MCX ZINC JAN'19	189.1/186.8	193.4/195.9
MCX LEAD JAN'19	146.9/144.8	151.4/153.3
MCX ALUMINUM JAN'19	132.3/129.8	136.6/138.8
MCX NICKEL JAN'19	830/818	855/869
MCX BRASS JAN'19	338/334	346/350

Market Highlights – Base Metals (% change) as on January 25, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper(3month)	6056.0	2.3	0.1	1.0	-15.2
MCX Copper	428.5	2.8	-0.2	2.7	-5.2
LME Aluminium (3 month)	1905.0	1.0	1.9	3.1	-14.7
MCX Aluminium	134.7	1.0	1.2	4.0	-4.9
LME Nickel (3 month)	11950.0	1.7	1.2	11.3	-12.9
MCX Nickel	842.8	1.4	0.5	13.3	-2.9
LME Lead (3 month)	2106.0	1.6	5.6	3.1	-18.5
MCX Lead	149.2	1.3	5.2	4.8	-9.2
LME Zinc (3 month)	2682.0	2.1	3.9	9.6	-22.5
MCX Zinc	191.2	1.8	3.2	10.0	-13.7
MCX Brass	342.0	0.0	0.0	-0.9	#N/A

Source: Reuters

LME Inventories in tonnes

COMMODITY	25/1/19	24/1/19	CHG	%CHG
COPPER	146275	145675	600	0.41%
ALUMINIUM	1301100	1301350	-250	-0.02%
NICKEL	202776	203088	-312	-0.15%
ZINC	116400	117475	-1075	-0.92%
LEAD	82975	85200	-2225	-2.61%

Source: Reuters



MCX Commodity Options

as on January 25, 2019

COMMODITY	STRIKE PRICE	OPEN	HIGH	LOW	CLOSE	% CHG
Gold call	32000.00	129.00	352.00	129.00	331.50	1.80
Gold put	32000.00	77.00	77.00	3.00	6.00	-0.94
Silver Call	36500.00	3000.00	3140.00	2992.50	3085.50	0.25
Silver Put	39000.00	689.50	689.50	326.00	340.50	-0.53
Crude oil Call	3800.00	145.00	150.00	118.70	133.00	0.01
Crude oil Put	3700.00	78.00	93.00	73.50	79.80	-0.18
Copper Call	430.00	5.22	8.26	4.60	7.87	0.43
Copper Put	425.00	12.00	12.00	7.87	7.95	-0.67
Zinc Call	175.00	13.60	13.60	12.90	13.21	0.02
Zinc Put	185.00	0.61	0.61	0.61	0.61	-0.50

Economic indicators to be released on 28-Jan-19

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
ECB President Draghi Speaks	EUR	8:30PM	-	-	-	High
BOE Gov Carney Speaks	GBP	9:00PM	-	-	-	High

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