



Bullion

Gold

On Thursday, spot gold prices rose marginally by 0.08 percent to close at \$1320.6 per tonne. Prices continue their uptrend after the U.S. Federal Reserve paused their rate hike cycle.

The Federal Reserve further stated that it might slowdown the rate hike cycle in 2019 considering the rising uncertainty about the global economic outlook.

However, gains were restricted after optimism showed by Trump over reaching a trade deal with China, the two day meeting between the delegates witnessed substantial progress in the trade talks.

Trump further added that he plans to meet President Xi Jinping soon which improved the risk appetite amongst investors, in turn decreasing the demand for the safe haven asset.

Silver

On Thursday, spot silver prices rose marginally by 0.02 percent to close at \$16.1 per ounce in line with the spot gold prices.

On the MCX, silver prices rose 0.2 percent to close at Rs.41046.0 per kg.

Outlook

A halt in the rate hikes by FED and increasing worries over US-China trade tension might increase demand for the safe haven asset.

On the MCX, gold prices are expected to trade higher today; international markets are trading marginally higher by 0.67 percent at \$1318.65 per ounce.

Technical Outlook

valid for February 01, 2019

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1312/1307	1321/1326
MCX GOLD FEB'18 (Rs/10GMS)	32950/32830	33180/33300
SPOT SILVER (\$/OZ)	15.8/15.6	16.1/16.3
MCX SILVER MAR'18 (Rs/KG)	40100/39700	40800/41050

Market Highlights (% change)

as on January 31, 2019

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	71.0	0.38	0.1	-1.2	-10.4
Euro/\$ (Spot)	1.1	-0.29	1.2	0.5	-7.9
Dollar Index	95.6	0.2	-1.1	-0.8	20.3
NIFTY	10831.0	1.68	-0.2	1.5	-2.7
SENSEX	36256.7	1.87	0.2	2.1	98.2
DJIA	24999.7	-0.06	1.8	10.2	-4.4
S&P	2704.1	0.9	2.3	10.5	-4.2

Gold (% change)

as on January 31, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
GOLD (SPOT)	1320.6	0.08	3.1	2.1	-1.8
GOLD (SPOT - MUMBAI)	33150.0	0.45	3.0	4.1	9.8
COMEX	1317.7	-0.15	1.6	2.7	-1.6
MCX Gold	33056.0	0.48	3.3	4.0	9.8

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

Silver (% change)

as on January 31, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
SILVER (SPOT)	16.1	0.02	4.9	2.1	-7.2
SILVER (SPOT - MUMBAI)	40300.0	0.12	3.6	3.9	2.5
COMEX	15.9	0.60	4.2	1.1	-7.7
MCX Silver	41046.0	0.20	4.0	2.7	3.1

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

Source: Reuters



Energy

Crude Oil

On Thursday, WTI crude prices declined 0.8 percent to close at \$53.8 per barrel. Prices declined after a strong rally as U.S. Energy Information Administration reported rise in the U.S. oil production to a record high of 11.9 million bpd in November 2018, up from 11.5 million bpd in October 2018.

Prices were further pressurized after Trump stated that he wants a big trade deal with China but might not reach the deal before the deadline of 31st March 2019.

Outlook

The global economic outlook might weigh on the market sentiments. However, sanctions on Venezuela might provide certain support to the prices.

On the MCX, oil prices are expected to trade sideways today; international markets are trading higher by 0.7 percent at \$54.6 per barrel.

Technical Outlook

valid for February 01, 2019

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	53.1/52.2	54.3/54.9
MCX CRUDE Feb'18 (RS/BBL)	3820/3760	3910/3960
BRENT CRUDE (\$/BBL)	60.2/59.4	61.4/62.1

Market Highlights - Crude Oil (% change) as on January 31, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	62.9	0.9	2.2	18.4	-7.0
NYMEX CRUDE	53.8	-0.8	1.2	14.2	-16.9
ICE BRENT CRUDE	61.9	0.4	1.3	10.6	-10.4
MCX CRUDE	3869.0	-0.9	2.1	17.8	-5.9

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

Source: Reuters

Market Highlights - Natural Gas (% change) as on January 31, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.8	-1.8	-10.2	-3.3	-4.7
MCX NG	201.5	-2.0	-9.7	-2.4	5.8

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

Source: Reuters



Base Metals

On Thursday, Base metals on the LME traded positive after optimism showed by Trump to reach a trade deal with China. However, gains were capped as Trump stated that the deal might not take place before the deadline of 31st March, 2019.

Base metal prices were also supported after dovish comments from FED. The US Federal Reserve stated that it would be patient with the interest rate hikes in 2019

The gains for base metals were limited as China's manufacturing sector PMI contracted for the second month in January 2019. The PMI ticked higher to 49.5 but stayed below the neutral levels of 50.

Aluminium Corp of China, Chalco, stated this week that it had to halt production at an Aluminium smelting plant in eastern China's Shandong province over high electricity cost.

Copper

On Thursday, LME Copper rose 0.5 percent to close at \$6169.0 per tonne. Dovish statements by FED led to an uptrend in the Copper prices. However, the gains were limited after China's PMI contracted for the second month in January.

Optimism over the trade deal between US & China might support the red metal prices as substantial progress was witnessed in the trade talks between the delegates of the two nations which ended yesterday.

On the MCX, Copper prices rose by 0.2 percent to close at Rs.437.6 per kg.

Outlook

LME Copper price is currently trading higher by 0.32 percent to trade at \$6150.75 tonne. Halt in the rate hikes cycle has pressurized the Dollar and in turn might support the Copper prices.

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

Technical Outlook

valid for February 01, 2019

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER FEB'19	434/430	440/444
MCX ZINC JAN'19	193.8/192	197.5/199
MCX LEAD JAN'19	148.8/147	152/153.5
MCX ALUMINUM JAN'19	134.5/133	137.5/139
MCX NICKEL JAN'19	874/860	898/908
MCX BRASS JAN'19	339/336	345/348

Market Highlights – Base Metals (% change) as on January 31, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper(3month)	6169.0	0.5	4.2	7.5	-13.3
MCX Copper	437.6	0.2	5.0	9.3	-2.9
LME Aluminium (3 month)	1906.5	0.1	1.1	3.1	-13.7
MCX Aluminium	133.8	-0.5	0.3	3.6	-5.2
LME Nickel (3 month)	12475.0	1.0	6.2	14.7	-7.5
MCX Nickel	876.9	0.2	5.5	15.0	1.8
LME Lead (3 month)	2110.0	1.2	1.8	8.7	-19.4
MCX Lead	148.1	0.2	0.5	8.7	-10.9
LME Zinc (3 month)	2723.5	1.3	3.7	13.4	-22.8
MCX Zinc	193.2	0.4	2.8	13.6	-15.1
MCX Brass	342.0	0.0	0.0	1.2	#N/A

Source: Reuters

LME Inventories in tonnes

COMMODITY	31/1/19	30/1/19	CHG	%CHG
COPPER	149200	149100	100	0.07%
ALUMINIUM	1287425	1289775	-2350	-0.18%
NICKEL	202032	202032	0	0.00%
ZINC	113425	113975	-550	-0.48%
LEAD	75450	76750	-1300	-1.69%

Source: Reuters

MCX Commodity Options

as on January 31, 2019

COMMODITY	STRIKE PRICE	OPEN	HIGH	LOW	CLOSE	% CHG
Gold call	33000.00	449.50	600.00	444.50	555.50	0.32
Gold put	33000.00	489.00	489.00	399.00	455.00	-0.09
Silver Call	40500.00	640.00	763.00	626.00	723.00	0.18
Silver Put	40000.00	521.50	521.50	394.00	412.00	-0.15
Crude oil Call	4000.00	67.80	86.60	54.80	58.80	-0.23
Crude oil Put	3700.00	49.00	56.00	39.40	50.10	0.12
Copper Call	440.00	7.33	8.85	7.00	7.88	0.06
Copper Put	435.00	9.20	9.20	7.34	7.51	-0.23
Zinc Call	200.00	2.11	2.20	1.90	2.08	0.11
Zinc Put	190.00	3.60	3.80	2.21	3.58	-0.07

Economic indicators to be released on 1-Feb-19

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
Manufacturing PMI	GBP	4:00pm	-	53.5	54.2	Medium
Average Hourly Earnings m/m	US	8:00PM	-	0.3%	0.4%	High
Non-Farm Employment Change	US	8:00PM	-	165k	312k	High
Unemployment Rate	US	8:00PM	-	3.9%	3.9%	High
ISM Manufacturing PMI	EUR	9:30PM	-	54.1	54.1	High

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