

Bullion

Gold

Last week, spot gold prices dipped lower by 0.5 percent. Gold prices were pressurized after markets expected a smaller rate cut which supported the Dollar. Mixed signals from the FOMC waved away the chances of higher rate cut in their meeting in the end of July which weighed on the spot gold prices.

Moreover, prices dipped over upbeat U.S. economic data which pushed the Dollar higher. Weekly U.S. jobless claims declined to a three month low last week signalling towards strengthening of their labour market.

However, tension from the Middle East further escalated after U.S. claimed to destroy another Iranian drone in the Strait of Hormuz. Constant escalating global tension boosted the appeal for the safe haven asset, gold.

Markets will have keen watch on the U.S. Federal Reserve's July 30-31 meeting where they are expected to trim down the rate. A rate cut in by FOMC might push the Dollar lower and support Gold prices.

Silver

Last week, Spot silver prices ended higher by 1.13 percent to close at \$16.3 per ounce.

On the MCX, silver prices dipped rose by 1.16 percent to close at Rs.41152.0 per kg.

Outlook

Rising chances of a possible rate cut by the U.S. Federal Reserve amid escalating tension in the Middle East might provide some support.

On the MCX, gold prices are expected to trade higher today; international markets are trading lower by 0.17 percent at \$1421.65 per ounce.

Technical Outlook

valid for July 29, 2019

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1417/1411	1428/1434
MCX GOLD AUG'19 (Rs/10GMS)	34650/34530	34840/34960
SPOT SILVER (\$/OZ)	16.3/16.1	16.6/16.8
MCX SILVER SEPT'19 (Rs/KG)	40700/40300	41430/41800

Market Highlights (% change)

as on July 26, 2019

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	68.9	0.23	0.0	0.3	-0.2
Euro/\$ (Spot)	1.1	-0.18	-0.8	-2.1	-5.1
Dollar Index	98.0	0.2	0.9	2.0	23.4
NIFTY	11284.3	0.29	-1.2	-4.7	1.8
SENSEX	39686.0	4.90	3.5	0.3	117.0
DJIA	27192.5	0.19	0.1	2.2	6.5
S&P	3025.86	0.7	1.7	3.5	6.3

Gold (% change)

as on July 26, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	1418.3	0.30	-0.5	0.6	15.2
Gold (Spot - Mumbai)	34800.0	-0.36	-0.8	2.9	16.0
Comex (May'19)	1418.5	0.33	-0.5	0.6	15.2
MCX (Jun'19)	34773.0	-0.13	-0.8	1.7	16.2

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

Silver (% change)

as on July 26, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	16.4	-0.08	1.1	7.4	5.3
Silver (Spot - Mumbai)	41000.0	-0.49	0.0	9.0	6.8
Comex	16.3	-1.30	1.4	7.1	5.8
MCX Silver	41894.0	-0.48	1.2	10.1	6.4

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

Source: Reuters

Energy Crude Oil

Last week, WTI Crude prices rose by 1.2 percent over rising chances of a possible supply disruption. Tension in the Middle East further escalated after U.S. claimed to destroy another Iranian drone last week in one of the prime routes for the global crude flows. Fresh concerns rising from the Middle East might hamper the supply and underpinned the prices.

However, prices continued to be pushed lower even after continuation of output cuts by OPEC+, rising tension from the Middle East and continuous decline in U.S. Crude inventory levels. Weakening of demand prospects for Crude globally continues to limit the gains.

Outlook

Prices might be pressurized over easing of tension arising from the Middle East amid weakening of global demand.

On the MCX, oil prices are expected to trade sideways today; international markets are trading lower by 0.23 percent at \$56.07 per barrel.

Market Highlights - Crude Oil (% change) as on July 26, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	64.9	2.5	6.1	-4.9	-12.7
NYMEX CRUDE	56.2	0.3	1.0	-5.4	-19.3
ICE BRENT CRUDE	63.5	0.1	1.6	-4.6	-14.2
MCX CRUDE	4053.0	3.7	6.7	-1.5	-15.2

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

Source: Reuters

Market Highlights - Natural Gas (% change) as on July 26, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.2	-2.9	-3.6	-6.6	-21.8
MCX NG	150.8	-2.5	-3.1	-6.6	-20.7

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

Source: Reuters

Technical Outlook

valid for July 29, 2019

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	55.7/55.3	56.4/57.0
MCX CRUDE JULY'19 (RS/BBL)	3800/3740	3950/4010
BRENT CRUDE OIL(\$/BBL)	62.8/62.4	63.5/64.0

Base Metals

Last week, base metals on the LME traded negative except for Lead which rose over 2 percent. Lead traded higher over possible global supply curbs amid maintenance work going on in China's major producer. The rally in the Nickel prices over rising demand and export ban by Indonesia lost its steam after an evident slowdown in the euro zone. Falling demand for industrial metal weighed on the prices.

Upbeat U.S. economic data supported the Dollar and weighed on the industrial metal prices. Weekly U.S. jobless claims dipped last week to a three month low signaling towards strengthening of their labor market.

However, rising chances of a possible rate cut by the U.S. Federal Reserve in the end of this month might support the industrial metal prices. However, markets expect a lower rate cut which might support Dollar and cap gains for the industrial metals.

Copper

LME Copper prices dipped over 1.6 percent over no concrete outcome of the trade talks between U.S. & China. Prolonged trade spat between the super power nations dampened the demand prospects for the red metal and pushed the prices lower. Rising chances of a rate cut by the U.S. Federal Reserve limited the downfall.

Outlook

Optimism over the U.S. China trade war might support the industrial metal prices. However, appreciating Dollar might cap the gains.

On the MCX, Copper prices are expected to trade up today; international markets trading flat at \$5964.25 tonne.

Technical Outlook

valid for July 29, 2019

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER JULY'19	444/440	451/456
MCX ZINC JULY'19	190.6/188.4	194.9/196.6
MCX LEAD JULY'19	151.7/149.6	156.2/158.1
MCX ALUMINUM JULY'19	139.7/137.2	144/146.2
MCX NICKEL JULY'19	975/963	1000/1014
MCX BRASS JULY'19	323/319	331/335

Market Highlights – Base Metals (% change) as on July 26, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper(3month)	5963.0	-0.7	-1.7	-0.4	-5.2
MCX Copper	416.8	-1.0	-2.6	7.3	3.4
LME Aluminium (3 month)	1806.5	-1.1	-2.2	0.4	-12.5
MCX Aluminium	138.6	-1.8	-3.1	-1.5	-1.5
LME Nickel (3 month)	14135.0	0.7	-3.5	11.0	3.1
MCX Nickel	995.3	1.1	-1.6	10.2	6.3
LME Lead (3 month)	2075.0	-1.0	1.4	7.0	-3.6
MCX Lead	158.6	0.1	3.9	2.0	7.9
LME Zinc (3 month)	2441.0	0.6	0.7	-1.8	-5.5
MCX Zinc	190.3	-0.6	-0.2	-3.1	5.8
MCX Brass	326.5	0.0	0.0	0.6	-10.5

Source: Reuters

LME Inventories in tonnes

COMMODITY	25/07/19	24/07/19	CHG	%CHG
COPPER	295000	293375	1625	0.55%
ALUMINIUM	953500	960175	-6675	-0.70%
NICKEL	145056	146670	-1614	-1.10%
ZINC	76775	77800	-1025	-1.32%
LEAD	57425	58600	-1175	-2.01%

Source: Reuters

No Economic indicators to be released on 29-Jul-19

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 Broking 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

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