

Bullion

Gold

On Thursday, spot gold prices rose by 0.45 percent to close at \$1523.0 per ounce after declining in the previous trading session as the yields on U.S. 30 year bond is all set to decline by 27 basis points in this week. Falling yields weighed on the Dollar and pushed the Gold prices higher.

However, rising optimism over a possible trade deal between U.S. & China dented the appeal for the safe haven asset. Both the countries might resume with their trade negotiations but investors might have a cautious approach as an actual deal might take time.

Markets will have a keen watch on the Federal Reserve's annual symposium next week to have a look on their stance ahead.

Silver

On Thursday, Spot silver prices rose by 0.35 percent to close at \$17.3 per ounce while MCX silver prices rose by 2.23 percent to close at Rs.44079 per kg.

Outlook

We expect gold and silver prices to trade higher as falling U.S. bond yield might push the Dollar lower and in turn support Gold. However, President Trump's actions have benefited the sentiment of investors while safe haven assets will be dumped in the near term.

ON the MCX, gold prices are expected to trade lower today, international markets are trading flat at 1531.15 per ounce.

Technical Outlook

valid for Aug 16, 2019

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1513/1507	1526/1532
MCX GOLD OCT'19 (Rs/10GMS)	38000/37850	38350/38500
SPOT SILVER (\$/OZ)	17.1/16.9	17.35/17.5
MCX SILVER SEPT'19 (Rs/KG)	43700/43400	44300/44700

Market Highlights (% change)

as on Aug 15, 2019

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	71.8	0.73	1.96	4.31	2.44
Euro/\$ (Spot)	79.4	-0.41	0.62	2.86	-0.45
Dollar Index	98.1	0.16	0.54	0.95	1.55
NIFTY	11029.4	0.95	-0.03	-5.63	-3.12
SENSEX	37311.5	0.96	-0.04	-4.86	-0.93
DJIA	25579.4	0.39	-3.03	-6.03	0.08
S&P	71.8	0.73	1.96	4.31	2.44

Gold (% change)

as on Aug 15, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	1523.0	0.45	1.53	6.75	29.77
Gold (Spot - Mumbai)	37500.0	-0.79	1.08	9.14	28.07
Comex (May'19)	1519.6	0.24	1.46	6.92	29.20
MCX (Jun'19)	38163.0	1.03	1.08	8.76	30.12

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

Silver (% change)

as on Aug 15, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	17.3	0.35	2.16	8.11	18.17
Silver (Spot - Mumbai)	43600.0	-1.36	1.63	11.51	18.48
Comex	17.2	-0.38	1.70	8.15	16.95
MCX Silver	44079.0	2.23	2.35	9.71	19.49

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

Source: Reuters

Energy

Crude Oil

On Thursday, Oil prices dipped by 1.38 percent to close at \$54.5 per barrel after rising recession concerns dampened the demand prospects for Crude. Prices were further pressurized after the data from industry group the American Petroleum Institute (API) showed U.S. crude stocks unexpectedly raised last week.

Crude inventories climbed 3.7 million barrels to 443 million, compared with analysts' expectations for a decrease of 2.8 million barrels, the API said.

China, one of the biggest oil consumers witnesses a significant drop in industrial output growth falling over its 17-year low. Weakening of Chinese economy amid escalating tension between U.S. & China clouded the outlook for global Crude demand. However, both the countries might resume their trade negotiations but an actual trade might take some time.

Outlook

Trump statements has led the investors to move towards risky assets while the fall in crude inventories as reported by the API will further led to positive momentum in oil. Moreover, positive U.S. retail sales data faded away the chances of a potential recession.

We expect oil prices to trade higher today, international markets are trading higher by 1.23 percent at \$55.12 per barrel.

Market Highlights - Crude Oil (% change) as on Aug 15, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	56.9	-0.85	2.58	-10.89	16.87
NYMEX CRUDE	54.5	-1.38	3.67	-4.07	16.79
ICE BRENT CRUDE	58.2	-2.10	1.48	-8.53	18.48
MCX CRUDE	3914.0	-3.05	5.90	-0.05	14.60

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

Source: Reuters

Market Highlights - Natural Gas (% change) as on Aug 15, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG*	2.2	2.5	2.9	-9.8	-26.4
MCX NG*	154.3	0.26	1.18	-2.53	-24.91

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

Source: Reuters

Technical Outlook

valid for Aug 16, 2019

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	54.5/53.7	55.7/56.6
MCX CRUDE AUG'19 (RS/BBL)	3930/3990	4080/4140
BRENT CRUDE OIL(\$/BBL)	58.1/57.3	59.4/60.2

Base Metals

On Thursday, base metals prices on the LME were mixed with Nickel being the highest gainer amongst the pack. Indonesia the second largest Nickel exporter aims to hasten the application of the ban on mineral ore exports which was supposed to come in to effect in 2020. The aims to make the miners in Indonesia the major exporter of nickel ore used mainly in the stainless steel industry. Nickel prices might be pushed higher in case the ban comes in to effect.

China, one of the biggest metal consumers witnessed a significant drop in industrial output growth falling over its 17-year low. Weakening of Chinese economy amid escalating tension between U.S. & China might raise severe demand concerns for Industrial metals. However, both the countries might resume their trade negotiations but an actual trade might take some time.

Aluminium prices found some support as fresh supply disruptions arising from China after a typhoon affected the facilities belonging to China Hongqiao Group, world's top Aluminium producer. Moreover, Alumina output was down 3% from June at 6.22 million tonnes.

Copper

On Monday, LME Copper prices ended lower by 0.24 percent to close at \$5751.0 per tonne. China's refined copper output rose by 4.8% year-on-year to 801,000 tonnes in July 2019.

Outlook

Possible revival in China's economy, and ease of tensions between US and China might provide some support to the prices. However, rising output in China might cap the gains.

On the MCX, Copper prices are expected to trade sideways today; international markets trading higher by 0.42 percent at \$5763.5 per tonne.

Technical Outlook

valid for Aug 16, 2019

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER AUG'19	445/442	452/455
MCX ZINC AUG'19	183/181.5	186/187.5
MCX LEAD AUG'19	153/151.5	156/157.5
MCX ALUMINUM AUG'19	139.5/138	143/144.5
MCX NICKEL AUG'19	1120/1108	1142/1155
MCX BRASS AUG'19	323/321	327/329

Market Highlights – Base Metals (% change) as on Aug 15 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper(3month)	5751.0	-0.24	-0.81	-3.83	-3.15
MCX Copper	448.3	-0.46	1.25	0.35	10.58
LME Aluminium (3 month)	1782.0	0.39	0.22	-3.52	12.99
MCX Aluminium	141.1	0.36	0.71	-1.36	-0.63
LME Nickel (3 month)	16250.0	1.75	2.33	12.46	21.95
MCX Nickel	1131.9	0.97	1.03	13.92	21.40
LME Lead (3 month)	2064.0	1.13	-0.24	2.89	1.18
MCX Lead	154.3	-0.45	-1.06	-0.71	10.02
LME Zinc (3 month)	2264.0	0.35	-1.74	-8.51	-5.35
MCX Zinc	184.4	-1.94	-0.57	-5.12	10.49
MCX Brass	5751.0	-0.24	-0.81	-3.83	-3.15

Source: Reuters

LME Inventories in tonnes

COMMODITY	15/08/19	14/08/19	CHG	%CHG
COPPER	301750	271800	29950	11.02%
ALUMINIUM	976700	984250	-7550	-0.77%
NICKEL	144792	144414	378	0.26%
ZINC	73625	74475	-850	-1.14%
LEAD	81575	81575	0	0.00%

Source: Reuters

Economic indicators to be released on 16-Aug-19

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
Prelim UoM Consumer Sentiment	US	8:30PM	-	97.2	98.4	Medium

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