

Bullion

Gold

On Wednesday, spot gold prices ended flat to close at \$1505.3 per ounce. Fading optimism over a possible trade deal between U.S. & China amid worries over the Brexit supported the bullion metal.

Trade tension between the super power nations further escalated after U.S. imposed visa restrictions on Chinese officials over Beijing's treatment of Uighur Muslims and other predominantly Muslim ethnic minorities. Imposing restrictions on Visa, initiatives to block U.S. investors from investing into Chinese companies and blacklisting Chinese companies weighed on the chances of a possible trade deal between U.S. & China.

The talks are scheduled a week prior to the scheduled hike in U.S. tariffs on \$250 billion worth of Chinese goods, to 30% from 25% on Oct. 15 2019.

The U.S. Treasury yield curve dipped after Federal Reserve Chair Jerome Powell stated that they might consider trimming down their interest rates which further supported the bullion metals.

Silver

On Wednesday, Spot silver prices ended lower by 0.06 percent to close at 17.70 per ounce while MCX silver prices rose by 0.37 percent to close at Rs.46044.0 per kg.

Outlook

Uncertainties looming ahead of the U.S.-China trade talks boost the appeal for yellow metal.

On the MCX, gold prices are expected to trade higher today; international markets are trading higher by 0.10 percent to close at 1514.35 per ounce.

Technical Outlook valid for Oct 10, 2019

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1502/1496	1513/1519
MCX GOLD DEC'19 (Rs/10GMS)	38350/38200	38620/38780
SPOT SILVER (\$/OZ)	17.70/17.50	18.00/18.20
MCX SILVER DEC'19 (Rs/KG)	45800/45400	46400/46900

Market Highlights (% change)

as on Oct 09, 2019

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	71.1	-0.14	0.01	-1.06	-3.96
Euro/\$ (Spot)	78.0	0.09	0.41	-1.56	-8.81
Dollar Index	99.1	-0.02	-0.01	0.81	4.32
NIFTY	11313.3	#N/A	-0.41	#N/A	10.54
SENSEX	38178.0	#N/A	-0.33	#N/A	12.28
DJIA	26346.0	0.70	-0.85	-2.09	5.16

Gold (% change)

as on Oct 09, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	1505.3	0.00	1.81	1.33	23.01
Gold (Spot - Mumbai)	38200.0	0.26	2.55	0.26	21.93
Comex	1506.1	0.59	1.63	1.06	23.10
MCX Gold	38497.0	0.30	3.18	0.64	20.34

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

Silver (% change)

as on Oct 09, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	17.7	-0.06	2.70	-1.72	21.57
Silver (Spot - Mumbai)	47800.0	6.34	8.02	2.36	25.96
Comex	17.7	0.63	3.06	-1.73	21.97
MCX Silver	46044.0	0.37	2.66	-3.67	18.40

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

Source: Reuters

Energy

Crude Oil

On Wednesday, WTI Crude prices ended lower by 0.08 percent to close at \$52.6 per barrel. Prices continue to fall over weakening of chances of a possible trade deal between U.S. & China which might hamper the global growth and dampen the demand prospects for Crude.

The preliminary, lower-level talks between U.S. & China which took place on Monday and Tuesday made no progress in the trade situations. The high-level trade negotiations will commence on 10th October 2019 i.e. today. However, escalating tension between the super power nations might weigh on the market sentiments and push the prices lower.

The 15 month long trade spat has hampered the demand prospects for Crude and pushed the prices lower even after regressive production cuts by OPEC+ amid tension arising from the Middle East.

Outlook

Fading optimism over a possible trade deal between U.S. & China might further worsen the demand prospects for Crude and push the prices lower.

We expect oil prices to trade lower, international markets are trading lower by 0.29 percent at \$52.44 per barrel.

Market Highlights - Crude Oil (% change) as on Oct 09, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	60.6	2.64	-0.59	-4.61	-25.83
NYMEX CRUDE	52.6	-0.08	-1.92	-8.38	-25.90
ICE BRENT CRUDE	58.3	0.14	-0.97	-6.51	-27.34
MCX CRUDE	3765.0	0.53	-1.23	-9.30	-28.35

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

Source: Reuters

Market Highlights - Natural Gas (% change) as on Oct 09, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.2	-2.36	-2.15	-13.41	-30.66
MCX NG	175.1	-1.90	-1.90	-8.42	-28.03

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

Source: Reuters

Technical Outlook

valid for Oct 10, 2019

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	51.90/51.30	52.85/53.40
MCX CRUDE OCT'19 (RS/BBL)	3730/3690	3795/3840
BRENT CRUDE OIL(\$/BBL)	57.65/57.10	58.50/59.20

Base Metals

On Wednesday, base metal prices on the LME ended negative with Nickel being the highest loser amongst the pack. Rising demand concerns for industrial metals over the escalating trade tension between U.S. & China pushed the prices lower.

U.S. & China made no progress in the preliminary trade talks which took place earlier this week. Both the nations will commence their minister level talks on 10th October 2019 i.e. today to try and find a way out of the month's long trade spat.

However, constant escalating tension between both the nations faded the optimism over a possible trade deal between U.S. & China and clouded the demand prospects for Industrial metals. The talks are scheduled few days prior to the scheduled hike in U.S. tariffs on \$250 billion worth of Chinese goods, to 30% from 25% on Oct. 15 2019.

Copper

On Wednesday, LME Copper prices ended lower by 2.2 percent. No concrete outcome of the prolonged trade war between U.S. & China continued to hamper the demand prospects for Copper.

Imposing restrictions on Visa, initiatives to block U.S. investors from investing into Chinese companies and blacklisting Chinese companies weighed on the chances of a possible trade deal between U.S. & China.

Outlook

Rising worries over a possible trade deal between U.S. & China might raise demand concerns for industrial metals and push the prices lower.

On the MCX, Copper prices are expected to trade sideways today; international markets trading higher by 0.44 percent at \$5713.75 per tonne.

Technical Outlook

valid for Oct 10, 2019

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER OCT'19	434/432	440/443
MCX ZINC OCT'19	181/179.5	184/185.5
MCX LEAD OCT'19	154/152.5	157/158.5
MCX ALUMINUM OCT'19	134/132.5	137/138.5
MCX NICKEL OCT'19	1230/1220	1250/1260
MCX BRASS OCT'19	301/300	304/305

Market Highlights – Base Metals (% change) as on Oct 09, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper(3month)	5684.0	0.15	-0.04	-2.42	-8.94
MCX Copper	437.4	-0.15	-0.33	-3.62	-4.77
LME Aluminium (3 month)	1744.0	-0.43	0.23	-4.18	13.66
MCX Aluminium	135.3	-0.37	-0.51	-3.94	-9.68
LME Nickel (3 month)	17360.0	-1.20	0.81	-3.80	36.96
MCX Nickel	1241.2	-0.85	-0.42	-2.56	32.58
LME Lead (3 month)	2130.0	-0.70	1.62	1.40	6.55
MCX Lead	155.7	-0.16	0.84	-0.03	4.64
LME Zinc (3 month)	2291.0	-0.30	-0.61	-2.01	12.09
MCX Zinc	182.5	0.50	0.27	-2.64	-7.03

Source: Reuters

LME Inventories in tonnes

COMMODITY	09/10/19	08/10/19	CHG	%CHG
COPPER	283125	283350	-225	-0.08%
ALUMINIUM	966125	965575	550	0.06%
NICKEL	108624	117522	-8898	-7.57%
ZINC	63000	63425	-425	-0.67%
LEAD	69050	69075	-25	-0.04%

Source: Reuters

Economic indicators to be released on 10-Oct-19

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
GDP m/m	UK	2:00PM	-	0.0%	0.3%	High
Manufacturing Production m/m	UK	2:00PM	-	0.1%	0.3%	High
BOE Gov Carney Speaks	UK	2:50PM	-	-	-	High
ECB Monetary Policy Meeting Accounts	EUR	5:00PM	-	-	-	High
CPI m/m	US	6:00PM	-	0.1%	0.1%	High
Core CPI m/m	US	6:00PM	-	0.2%	0.3%	High

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