

Bullion

Gold

On Thursday, spot gold prices ended higher by 0.57 percent to close at \$1489.4 per ounce. After dipping over 1 percent in the earlier trading session prices recovered yesterday after rising uncertainties over Britain's exit from the European Unions weighed on the market sentiments and boosted the appeal for the safe haven asset, Gold.

Prices were further supported after markets expected that the pro-democracy protest in Hong Kong might affect the trade situations between U.S. & china. U.S. House of Representatives took on China by passing four pieces of legislation out of which three were related to the on-going protest in Hong Kong.

The U.S. Federal Reserve is scheduled to meet in the end of October'19 to decide on their approach ahead. No concrete outcome of the trade war might continue to hamper their economies which might force the FED to trim down the interest rates.

Silver

On Thursday, Spot silver prices ended higher by 0.12 percent to close at 17.40 per ounce while MCX silver prices ended flat to close at Rs.45226.0 per kg.

Outlook

Gold prices might find some support over debatable chances of Britain's exit from the EU amid fading optimism over a possible trade deal between U.S. & China.

On the MCX, gold prices are expected to trade higher today; international markets are trading lower by 0.15 percent to close at 1491.75 per ounce.

Technical Outlook valid for Oct 17, 2019

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1481/1476	1494/1500
MCX GOLD DEC'19 (Rs/10GMS)	38050/37920	38380/38530
SPOT SILVER (\$/OZ)	17.20/17.00	17.50/17.70
MCX SILVER DEC'19 (Rs/KG)	44900/44600	45650/45980

Market Highlights (% change)

as on Oct 16, 2019

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	71.4	-0.19	0.20	-0.17	-2.95
Euro/\$ (Spot)	79.0	0.22	1.35	-0.04	-6.53
Dollar Index	98.0	-0.29	-1.14	-0.26	2.19
NIFTY	11464.0	0.31	#N/A	5.98	#N/A
SENSEX	38599.0	0.24	#N/A	5.81	#N/A
DJIA	27002.0	-0.08	3.20	-0.40	6.39

Gold (% change)

as on Oct 16, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	1489.4	0.57	-1.06	-0.85	21.58
Gold (Spot - Mumbai)	38250.0	-0.78	#N/A	1.19	#N/A
Comex	1488.0	0.70	-0.61	-1.14	21.32
MCX Gold	38219.0	0.48	-0.43	0.53	19.17

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

Silver (% change)

as on Oct 16, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Silver (Spot)	17.4	0.12	-1.81	-3.47	19.52
Silver (Spot - Mumbai)	45000.0	-1.75	#N/A	-2.17	#N/A
Comex	17.4	0.25	-1.51	-3.69	19.39
MCX Silver	45226.0	0.00	-1.41	-4.51	16.38

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

Source: Reuters

Energy

Crude Oil

On Thursday, WTI Crude prices ended higher by 1.04 percent to close at \$53.4 per barrel. Prices were supported over expectations that OPEC and its allies might further deepen their production cuts in December 2019.

However, weaker demand prospects continue to limit the gains for oil prices. Prices couldn't find any support even after U.S. & China agreed to the phase 1 to end the trade war as no clear details of the agreement faded the optimism of a possible deal.

The market sentiments were further pressurized after China's factory activities dipped at the fastest pace in over than three years last month signalling towards a persistent weakness in their economy. Slowdown in the biggest Oil consumer's economy might continue to weigh on the demand prospects.

Outlook

Expectation of surge in U.S. Crude inventory levels amid weakening of global demand prospects might weigh on the oil prices.

We expect oil prices to trade lower today, international markets are trading lower by 0.82 percent at \$52.92 per barrel.

Technical Outlook

valid for Oct 17, 2019

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	52.3./51.80	53.50/54.20
MCX CRUDE OCT'19 (RS/BBL)	3780/3740	3860/3910
BRENT CRUDE OIL(\$/BBL)	58.40/57.90	59.60/60.30

Market Highlights - Crude Oil (% change) as on Oct 16, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	59.9	0.18	1.37	-9.99	-26.20
NYMEX CRUDE	53.4	1.04	1.39	-10.08	-22.27
ICE BRENT CRUDE	59.4	1.16	2.03	-7.95	-25.06
MCX CRUDE	3818.0	-0.16	1.95	-10.06	-24.74

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

Source: Reuters

Market Highlights - Natural Gas (% change) as on Oct 16, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.3	-1.54	0.66	-13.68	-27.99
MCX NG	180.6	-0.93	1.18	-7.53	-25.43

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

Source: Reuters

Base Metals

On Thursday, base metal prices on the LME were mixed with Nickel being the highest loser amongst the pack. Weakening of demand prospects for industrial metals amid slowdown in global economic growth continued to weigh on the prices.

Metals found some support earlier after situations between U.S. & China eased down as they agreed to the first phase of a deal to end a prolonged trade war. However, things soon turned around after China stated that they want another round of negotiations before entering in to any deal outlined by the U.S. President Donald Trump.

Weak retails sales by U.S. stated that the effect of the prolonged trade war between U.S. & China has started to hamper the economic growth which might further weigh on the demand prospects for industrial metals.

Copper

On Thursday, LME Copper prices declined by 0.74 percent to close at \$5730.0 per tonne. Fading of optimism between U.S. & China (the biggest consumers of industrial metals) raised demand concerns for industrial metals and weighed on the prices.

Moreover, China's factory activities dipped at the fastest pace in over than three years in September which raised severe demand concerns for the red metal and pushed the prices lower.

Outlook

Weak economic data from China and U.S. might hamper the demand prospects for industrial metals and push the prices lower.

On the MCX, Copper prices are expected to trade sideways today; international markets trading higher by 0.10 percent at \$5727.0 per tonne.

Market Highlights – Base Metals (% change) as on Oct 16, 2019

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper(3month)	5730.0	-0.74	0.96	-1.56	-6.94
MCX Copper	437.9	-1.06	-0.03	-3.03	-2.22
LME Aluminium (3 month)	1728.0	0.00	-1.34	-3.57	14.16
MCX Aluminium	134.0	-0.30	-1.33	-3.91	-9.98
LME Nickel (3 month)	16450.0	-3.21	-6.37	-3.38	33.20
MCX Nickel	1197.3	-3.19	-4.35	-1.34	32.09
LME Lead (3 month)	2160.0	0.54	0.70	5.06	7.89
MCX Lead	156.3	0.35	0.19	1.56	6.47
LME Zinc (3 month)	2434.0	-0.16	5.92	3.62	-9.30
MCX Zinc	185.2	-0.96	1.95	0.05	-7.59

Source: Reuters

LME Inventories in tonnes

COMMODITY	16/10/19	15/10/19	CHG	%CHG
COPPER	275575	274975	600	0.22%
ALUMINIUM	983525	985900	-2375	-0.24%
NICKEL	91062	94662	-3600	-3.80%
ZINC	61475	61625	-150	-0.24%
LEAD	69150	69150	0	0.00%

Source: Reuters

Technical Outlook

valid for Oct 17, 2019

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER OCT'19	435/433	441/443
MCX ZINC OCT'19	184/182.5	186.8/188.5
MCX LEAD OCT'19	155/153.5	157.5/159
MCX ALUMINUM OCT'19	132.5/131	135.5/137
MCX NICKEL OCT'19	1190/1180	1208/1220
MCX BRASS OCT'19	301/300	304/305

Economic indicators to be released on 17-Oct-19

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
Retail Sales m/m	UK	2:00PM	-	-0.1%	0.2%	High
BOE Credit Conditions Survey	UK	2:00PM	-	-	-	Medium
Philly Fed Manufacturing Index	US	6:00PM	-	7.3	12.0	High
Industrial Production m/m	US	6:45PM	-	-0.1%	0.6%	Medium
Crude Oil Inventories	US	8:30PM	-	3.0M	2.9M	High
FOMC Member Bowman Speaks	US	11:30PM	-	-	-	Medium
FOMC Member Evans Speaks	US	11:30PM	-	-	-	Medium

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