

Bullion

Gold

On Thursday, Spot gold prices ended higher by 0.65 percent to close at \$1566.6 per tonne as concerns over the economic damage by the coronavirus outbreak weighed on the market sentiments and boosted the demand for the safe haven asset, Gold. The death toll has crossed 630 in China with over 30,000 people infected by the coronavirus.

The uptrend was restricted after China's move to trim tariffs on few U.S. imports that boosted the demand for the riskier assets and weighed on the yellow metal prices.

The gains for Gold were further limited as the U.S. Dollar appreciated over robust U.S. economic data making Gold expensive for other currency holders. Solid Manufacturing numbers coupled with rise in January private payrolls and services sector activities signaled towards growth in the biggest economy in the world in turn supporting the U.S. Dollar.

Silver

On Thursday, Spot silver prices ended higher by 1.21 percent to close at \$17.8 per ounce whereas the MCX silver prices rose by 1.06 percent to close at Rs.46220 per kg.

Outlook

The rapidly spreading virus and its economic impact might boost the appeal for the safe haven asset, Gold. Appreciating Dollar over robust U.S. economic data might cap the gains for Gold.

On the MCX, gold prices are expected to trade sideways today.

Technical Outlook valid for February 07, 2020

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1561/1555	1571/1575
MCX GOLD APR'20 (Rs/10GMS)	40200/40050	40450/40550
SPOT SILVER (\$/OZ)	17.70/17.50	17.90/18.00
MCX SILVER MAR'20 (Rs/KG)	45900/45650	46500/46750

Market Highlights (% change) as on February 06, 2020

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	71.0	-0.25	-0.75	-0.71	-0.18
Euro/\$ (Spot)	78.2	-0.20	-0.93	-1.46	-2.64
Dollar Index	98.5	0.20	0.64	1.23	1.48
NIFTY	12259.0	1.40	1.85	1.94	12.58
SENSEX	41306.0	0.40	0.96	1.20	13.49
DJIA	28239.3	-3.59	-2.15	-1.76	12.72

Gold (% change) as on February 06, 2020

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
Gold (Spot)	1566.6	0.65	-0.47	0.70	19.74
Gold (Spot - Mumbai)	40265.0	-0.36	-0.95	-1.07	22.20
Comex	1484.4	-4.71	-6.26	-4.69	13.57
MCX Gold	40351.0	0.44	-1.52	0.60	22.11

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

Silver (% change) as on February 06, 2020

COMMODITY	LAST	CHANGE	MOM	YOY	
Silver (Spot)	17.8	1.21	-0.10	-1.52	13.40
Silver (Spot - Mumbai)	46010.0	-1.31	13.30	-3.74	15.81
Comex	17.8	1.25	-0.91	-1.65	13.62
MCX Silver	46220.0	1.06	-1.48	-2.47	16.07

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

Source: Reuters

Energy

Crude Oil

On Thursday, WTI Crude prices declined higher by 0.39 percent to close at \$51 per barrel as Expectation of excessive output cuts by OPEC+ supported the prices.

WTI Crude prices dipped significantly in the last week as the major consumer China was battling with the severe virus outbreak which hampered their economy.

OPEC+ stated that they might further trim their production activities to fight back the possible chances of a squeeze on global oil demand which has pushed the prices lower.

Outlook

Rapidly spreading Coronavirus might hamper the demand for fuel and weigh on the prices.

On the MCX, oil prices are expected to trade lower today.

Technical Outlook

valid for February 07, 2020

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	50.80/50.30	51.90/56.50
MCX CRUDE FEB'20 (RS/BBL)	3600/3565	3675/3710
BRENT CRUDE OIL(\$/BBL)	54.80/54.30	55.90/56.50

Market Highlight - Crude Oil (% change) as on February 06, 2020

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	70.8	3.54	21.47	3.67	15.04
NYMEX CRUDE	51.0	0.39	-2.28	-14.53	-2.79
ICE BRENT CRUDE	54.9	-0.63	-5.76	-16.06	-10.70
MCX CRUDE	3630.0	-1.36	-2.50	-14.79	-2.39

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

Source: Reuters

Market Highlight - Natural Gas (% change) as on February 06, 2020

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	1.9	0.05	1.80	-13.03	-29.52
MCX NG	135.6	0.00	0.07	-11.37	-29.63

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

Source: Reuters

Base Metals

On Thursday, base metal prices on the LME ended positive except for Nickel which dipped by 0.76 percent. Stimulus measures taken by China to fight the Coronavirus outbreak supported the industrial metal prices. The People's Bank of China (PBOC) infused about \$242.74 billion through open market operations this week to get their economy back on track.

However, appreciating Dollar limited the uptrend for industrial metals. The U.S. Dollar appreciated on robust U.S. manufacturing figures coupled with rise in January private payrolls and services sector activities which signaled towards growth in the biggest economy.

Copper

On Thursday, LME Copper prices ended higher by 0.23 percent to close at \$5735 per tonne. After declining for multiple trading sessions Copper rebounded after China took stimulus measures to support their economy.

Moreover, China's copper smelters might trim their output by 15% or more in February 2020 from last month because of the Corona virus outbreak.

Outlook

Appreciating Dollar amid the severe virus outbreak in China might weigh on the industrial metal prices.

On the MCX, Copper prices are expected to trade sideways today.

Technical Outlook

valid for February 07, 2020

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER FEB'20	433/430	438/440
MCX ZINC FEB'20	171/170	173/174
MCX LEAD FEB'20	145/144	147/148
MCX ALUMINIUM FEB'20	137.50/136	140/141
MCX NICKEL FEB'20	950/942	965/973

Market Highlights – Base Metals (% change) as on February 06, 2020

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper(3month)	5735.0	0.23	2.64	-7.17	-6.75
MCX Copper	435.5	0.23	0.51	-3.62	-0.87
LME Aluminium (3 month)	1737.0	1.16	0.35	-3.50	-7.61
MCX Aluminium	138.6	0.91	-4.68	-1.46	3.90
LME Nickel (3 month)	13060.0	-0.76	3.49	-7.05	4.56
MCX Nickel	957.1	-0.77	1.08	-7.90	8.00
LME Lead (3 month)	1844.0	1.32	1.04	-3.00	-9.85
MCX Lead	146.0	0.45	0.07	-3.44	0.34
LME Zinc (3 month)	2207.0	-0.27	0.87	-8.16	-16.53
MCX Zinc	172.2	-0.86	-1.71	-6.03	-8.72

Source: Reuters

LME Inventories in tonnes

COMMODITY	06/01/20	05/01/20	CHG	%CHG
COPPER	174800	176575	-1775	-1.01%
ALUMINIUM	1257750	1274550	-16800	-1.32%
NICKEL	200424	200454	-30	-0.01%
ZINC	52950	49625	3325	6.70%
LEAD	66725	66750	-25	-0.04%

Source: Reuters

Economic Indicator to be released on 7-Feb-20

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
Average Hourly Earnings m/m	US	7:00PM	-	0.3%	0.1%	High
Non-Farm Employment Change	US	7:00PM	-	161K	145K	High
Unemployment Rate	US	7:00PM	-	3.5%	3.5%	High

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