

Gold is trading in a range with negative bias on stronger dollar as Fed and Nafta are driving dollar higher

- Dollar index remains stronger over US and Canada Nafta deal - After more than a year of negotiation a new North American Free Trade Agreement (NAFTA) have finally inked a trade deal. Chapter 19 will be unaffected and US tariff on Steel and Auto will be discussed in separate talks.
- Gold speculators raised their net short position by 2,923 lots to 77,313 lots, in the week to Sept. 25, according to CFTC data
- Other economic News
 - U.S. consumer spending increased steadily in August, supporting expectations of solid economic growth in the third quarter, while a measure of underlying inflation remained at the Fed's 2 percent target for fourth straight month
 - In Japan, business confidence among big manufacturers worsened in the last quarter to hit its lowest level in nearly a year, rising raw material costs remains the key reason
 - Growth in China's manufacturing sector falters in September as both external and domestic demand weakened according to a survey data released on Sunday.

Outlook: Gold turned negative after a sharp decline last week's towards \$1180 per ounce and minor short covering push prices above 1190 but positive movement cannot be seen unless it gives closing above 50DMA at \$1202 towards next level of resistance at 1218.60. Gold is unable to breach stiff resistance of 1218.60 as it formed a triple top and retreated towards 1182 in past two months. In case a positive breakout above this level may push counter towards next resistance level of 100DMA at \$1237 and further towards 200DMA at \$1281. Gold may tend to move towards recent low of 1161.40 on break of 1180, those shorting on pullback till 1200-1202 should keep a stop loss on closing basis above \$1219.

Oil highest since Nov'14 as US sanction looms, China also cut buying from Iran

- Number of active U.S. rigs drilling for oil fell by 3 to 863 this week. The oil-rig count had edged down by 1 last week. The total active U.S. rig count, which includes oil and natural-gas rigs, was up by 1 at 1,054
- China's Sinopec has halved loadings of crude oil from Iran this month, as Washington continues to put pressure
- If Chinese refiners do comply with U.S. sanctions more than expected, then the market balance is likely to tighten further
- Unless comments from OPEC to boost production, oil market remain is likely to remain volatile with bullish bias on concerns of future shortage of oil supply.
- Iran launches missiles into eastern Syria in a retaliation for parade attack, geopolitical issues in oil producing region is also keeping oil prices buoyant.

Outlook: Brent oil which is holding at highest level since Nov'14, has given a medium term crossover of 100 DMA by 50 DMA showing of further bullishness for a move 86.40 and 96.30, minor support is seen near 81.10 and critical support remains at 78.10, Even though RSI is above 70, indicating overbought condition, RSI may remain above 70 for long term and minor corrective dips can be used as fresh buying opportunity.

Nickel remains flat as dollar rally continues, Chinese market closed for "Golden Week" holiday

- China's Manufacturing PMI (Sept.) which was released on Sunday came in at 50.8 against an expectation of 51.2 – This weaker than expected data has kept base metals under pressure
- Chinese markets remain closed on a week long holiday till 7th Oct for Golden Week, to mark China's National Day. The exchange will reopen on October 8
- China battery firms set up \$700 million nickel joint venture in Indonesia – This is to produce battery grade Nickel
- All base metals including Nickel are trading flat as Dollar remains strong
- China commodities exchanges will closed for "Golden Week" holiday. Trading will resume on 8 October 2018.

Outlook: LME 3M Nickel has declined to \$12,550 per ton in previous week, however it is at support zone now. Nickel and Zinc are relatively strong as compared to Aluminum & Copper. For Nickel we expect it to consolidate near current levels in the \$12,200-\$12,800 range, expect it to form a base in this range for the medium term. Post this consolidation we can expect Nickel to see higher levels, while it holds above \$12,000.

ABans Group

Founded in 2005, under the leadership of the Group Chairman Mr. Abhishek Bansal, ABans Group has grown from being a trading house to a dynamic and diversified business group. We provide expertise in Broking Services, Merchant Banking, Non-Banking Financial Dealings, Gold Refining, Realty & Infrastructure. In a nutshell, ABans Group is a comprehensive Financial Services conglomerate, providing end-to-end financial services to all its clients.

Contact Details

Abans Broking Services (P) Limited

36, 37, 38A, 3rd Floor, 227 Nariman Bhavan,
Backbay Reclamation, Nariman Point,
Mumbai - 400 021

Phone +91-22-61790000 Fax +91-22-61790010

Email: info@abans.co.in Website : www.abans.co.in

Social Media



Disclosure & Disclaimer: ABans Broking Services Pvt. Ltd. (ABSPL)

Prepared By:

Mr. Kamlesh Jogi, Market Research Analyst

E-mail: kamlesh.jogi@abans.co.in

Phone: 022 – 6789 8621

Communication Address: Mittal Chambers, 2nd Floor, No. 25, Backbay Reclamation, Nariman Point, Mumbai - 400021.

Membership Details:

MCX Member ID: 40385 / SEBI Reg. No. INZ000032733;

NCDEX: Member ID F00681 / SEBI Reg. No. INZ000032733

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as **the Regulations**). **ABans Broking Services Pvt. Ltd. (ABSPL)** is a SEBI Registered Research Analyst having registration no. **INH000006369**. **ABSPL**, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock Broking services. **ABSPL** is a subsidiary company of ABans Finance Pvt. Ltd. (AFPL). AFPL is an NBFC, registered with the RBI, in the category of non-acceptance of public deposits.

One of the group companies of **ABSPL** is ABans Securities Pvt. Ltd. (ASPL) which is a SEBI registered member with NSE, BSE and MSE stock exchanges. ASPL is also a Depository Participant of CDSL. ABans Commodities Pvt. Ltd. (ACIPL) is another group entity which is also a registered member with MCX in the Commodity segment. Further details are available on the group website www.abans.co.in

Mandatory Disclosures as per the Regulations:

- Ownership & Material conflicts of interest –
 - Whether **the Research Analyst** or **ABSPL**, or his associate or his relative has any financial interest in the subject company and the nature of such financial interest – **No**
 - Whether **the Research Analyst** or **ABSPL**, or its associates or relatives, have actual/beneficial ownership of 1% or more securities of the subject company, at the end of the month immediately preceding the date of publication of this research report or date of the public appearance – **No**
 - Whether **the Research Analyst** or **ABSPL**, or his associate or his relative, has any other material conflict of interest at the time of publication of this research report or at the time of public appearance – **No**
- Receipt of Compensation –
 - Whether **ABSPL**, or its associates have received any compensation from the subject company in the past twelve months – **No**
 - Whether **ABSPL**, or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months – **No**
 - Whether **ABSPL**, or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months – **No**
 - Whether **ABSPL**, or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months – **No**
 - Whether **ABSPL**, or its associates have received any compensation or other benefits from the subject company or third party in connection with the research report – **No**
- Whether **the Research Analyst** has served as an officer, director or employee of the subject company – **No**
- Whether **the Research Analyst** or **ABSPL** has been engaged in market making activity for the subject company – **No**
- Other material disclosures, if any

Disclaimer:

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Neither ABans Broking Pvt. Ltd. (ABSPL), nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information. The document is not, and should not be construed as an offer to sell or solicitation to buy any securities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from "ABans Broking Services Private Limited". Your feedback is appreciated on compliance@abans.co.in