

Oil continues to gain Iran supply crunch help push oil further

- OPEC: Saudi Arabia ready to increase production when needed: Al- Falih, Minister of Energy, Saudi Arabia. The U.S. encourages OPEC to dig deeper into spare oil capacity. Korea, Japan, India and China to cut imports from Iran. Estimates for how much of Iran's exports could be affected range from 0.5 million bpd to 2 million bpd, and uncertainty over the impact could ultimately foster price swings in either direction.
- Overall exports from Iran have dropped to 2 million barrels per day (bpd) in September from 2.8 million bpd in April, the Institute of International Finance said.
- EIA Inventory Report – Weekly crude inventory build up by 8.0million barrel for the week of 28th Sept against forecast of 1.1 million barrel, but gasoline inventory dropped by 0.458 million against the forecast of 1.31M and Distillate fuel stock dropped by 1.75 million barrel against forecast of -1.30 million barrel, kept the oil prices well placed above \$86 per barrel for the day.
- Hot temperatures in US leading to higher-than-normal air conditioning use for this time of year is helping drive this week's rally, US inventories remain notably below their five-year and one-year averages.
- Open interest in \$100 December 2018 ICE Exchange Brent call options, which expire in late October, is currently more than 50,000 lots, more than any other strike price for that month.

Outlook: As expected to rally above key resistance level of 85.45, Brent oil touch 86.73 though minor profit booking push prices back to 86, to continue with our bullish view next level of resistance is seen around 87.94 and more positive move above may push counter towards medium term target of 96.30. Immediate support level is seen around 82.55.

Gold trades range 1199-1203, safe haven demand softens, focus on US Non-farm payroll

- Dollar index halted its move near 95.75 in anticipation of non-farm employment data which is projected to be 180K a slight deceleration from 201K gain in August and outlook for average hourly earnings remains firm, report will be released on Friday.
- Gold gained on safe haven demand but faded later, on Italian turmoil. European commission warned Italy of them being in Greek style crisis. In response, Italian head of budget committee stated in parliament, to resolve finance problems Italy needs to have its own currency.

Outlook: Gold is trading in range after sharp recovery from 1180, facing stiff resistance near 1218 and any positive breakout above this level may push precious metal higher towards 100 DMA at 1235 and further till 200 DMA at 1281, immediate support is seen at 20DMA (1199), though critical support remains near recent low of 1180.

Aluminum remains positive supported by strong fundamental factors

- Aluminum rallies strongly to 3-4 month high as Hydro shuts Brazilian alumina refinery (largest in the world) indefinitely and would lay off 4,700 people
- There are reports that it may take at least a year for Norsk Hydro to gain approval to return to normal production – This has added further fuel to fire
- Looming Rusal sanctions which kick in from around mid November also helped stoke fire on aluminum
- Aluminum inventory at the LME certified warehouses continues to remain at 10-year low of 797,800 tones has declined more than 50% since January last year and are at their lowest since early 2008
- Positive US data also helped Base metal prices as final services purchasing managers' index (PMI) for September came in at 53.5 and beating the forecast and previous number of 52.9

Outlook: LME 3M Aluminum is trading at \$2250 per ton, it has risen very strongly and has closed above the 200-day SMA on Wednesday to 15-week high indicating strong buying, it looks set for a further rise towards \$2280-\$2345 in the coming sessions. Any dips should be considered as buying opportunities in the metal.

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, Financial Services, Non-Banking Financial Services, Gold Refining, and 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