

Crude continues to trade weak as Russia in wait and watch mode on proposed production cut

- Oil prices edged down on Tuesday morning in Asia session as major oil producer Russia adopted a wait-and-watch approach towards OPEC's potential decision to cut crude output.
- Russia is due to meet with OPEC+ oil producers on Dec. 7th summit in Vienna to reach an output decision for the next six months.
- Saudi Arabia is driving OPEC to slash output by 1 to 1.4 million barrels per day (bpd) to avoid oversupply.
- CIA is expected to present its report to President Donald Trump on the role of Saudi Arabia in the murder of journalist Jamal Khashoggi in October.
- Trump opposed Saudi's suggestion of an output cut as he pushed for further decline in oil prices. Washington's crude waivers to eight countries on importing Iranian oil have led to market concerns over excessive supply.
- President Hassan Rouhani said that Iran will keep exporting oil despite U.S. sanctions

Outlook

- Brent Oil retraced from 68.38, as Russia adopted a wait and watch approach for winter season demand on Saudi Arabia's suggestion of cutting oil production by 1 to 1.4 million barrels per day. Oil supply is expected to increase in near term while oil demand may be negatively impacted. Oil prices could remain weak and a break below 64.50 could see oil declining towards 63.15 and 61.68.

Gold is supported by weaker dollar

- Dollar index is trading near one week low over builder's confidence index, Builders' housing market index dropped to 60 in November from 68 in October. U.S. home builder sentiment posts biggest drop in 4-1/2 years
- Gold is trading in a tight range ahead of U.S. holiday, US banks will be closed in observance of Thanksgiving Day on November 22nd.
- The currency also came under pressure as U.S. Federal Reserve officials cautioned on the global growth outlook and pointing to a potentially slower pace of rate hikes.
- Gold will continue to feed off Brexit and trade war risk, British Prime Minister Theresa May said on Sunday that toppling her would risk delaying Brexit and she would not let talk of a leadership challenge distract her from a critical week of negotiations with Brussels.
- Trade War - President Donald Trump said on Friday that he may not impose further tariffs on Chinese goods after Beijing sent United States a list of measures it was willing to take to resolve trade tensions
- ECB Interest rates - The European Central Bank can change its plans to start raising interest rates late next year if borrowing costs rise too far or inflation slows
- CFTC - Hedge funds and money managers boosted their net short positions in gold by 33,378 contracts to 70,864 contracts in the week to Nov. 13 that was the highest net short position in five weeks.

Outlook

- Gold is trading between narrow range of \$1217-\$1227 per ounce from last two trading sessions with positive bias over weakness in Dollar Index. Stiff resistance is seen near \$1238 while important support remains near \$1195, we may see further consolidation in the \$1195-\$1238 range.

China Rebar at four month low on slowing demand in winter season

- Rebar most active future contact trading at a four-month low, over concerns about slowing demand which continues to dampen sentiment.
- High production at Chinese steel mills also added pressure on prices.
- Last week, weekly utilization rate at steel mills across the country rose for a third straight week ahead of winter season pollution cuts,
- Construction work is typically halted in northern China in winter due to the frigid weather conditions which results in slowing demand for steel rebar till February.

Outlook

- Rebar prices which dropped to lowest level since Aug'18 on slow construction demand during winter season and increased supply. Further weakness is expected towards 3612-3579 on consolidation below 3688.

Uncertainty removed and Bond rose after RBI meeting with Government

- Indian rupee and bonds rose post the central bank board meeting.
- Uncertainty decreased over a rift between the government and the Reserve Bank of India for policy decisions.
- This meeting is anticipated to support small businesses and banks to get time to step up capital norms.

Positive Economic data

- IIP expanded 4.5% in September compared to 4.3% in August, due to growth in sectors including electricity, mining, infrastructure and construction.
- CPI moderated to a 13-month low of 3.31 percent, staying below the RBI's medium-term target of 4 percent for the third consecutive month on favorable base effect in food prices.
- India's trade deficit widened to \$17.13 billion in October from a five-month low of \$13.98 billion a month back. While the widening of trade deficit is negative, the recent fall in oil prices will ensure that the deficit is contained going ahead.
- Ratings agency Fitch reaffirmed India's 'BBB-' rating, warning that "significant" policy changes were needed to reduce the general government debt level to 60 percent of GDP by March 2025.

Outlook

- Recovery in Indian rupee continues as fresh FII inflow on positive economic data and dollar selling from exporters, USDINR may drop to 70.90-69.20 below 71.70 in near term.

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