

Safe-haven demand continues to drive gold higher as equity slide continues

- Gold remains above \$1235 declining equity market in Asia ,safe heaven demand continues to pick up
- US Equity market reacted positively towards US federal reserve vice chairman Richard Clarida statement that higher interest rate can boost US economy. Despite positive US markets Asian market under pressure as investors remain jittery over fed rate hike expectations.
- European commission rejection of Italy's budget and US trade war with china which may down Chinese economic growth are also helping the precious metal prices stay afloat.

Outlook

- Gold is trading in the 1228-1238 range since last two sessions, it could target 1262-1285 in near term. Immediate correction towards 1233-1227 can be considered as fresh buying opportunity with closing stop below 1216.

OPEC governor projects oil market to be oversupplied in last quarter of 2018

- Saudi Arabia's OPEC governor quoted that oil market may become oversupplied in fourth quarter and slump in global equities could reduce demand. US trade war with china would also have negative impact in the Chinese economy.
- Saudi Arabia Energy Minister Khalid Al-Falih said there could be a need for intervention to reduce oil stockpiles after increases in recent months. U.S. crude oil stockpiles rose last week for the fifth consecutive week, while gasoline and distillate inventories fell, according to the the Energy Information Administration .
- Iran storing its unsold oil on its tanker fleet in the hope that it can sell the crude off quickly once the sanctions are lifted again.

Outlook Brent could find support near 75.66 after sharp decline from 86.74, minor short covering rally could be seen till 77.65-78.20, overall trend is turning bearish and oil may decline towards 74.65-72.45 on break below 75.66

SHFE rebar facing critical resistance at 4220

- As per world steel association (WSA), crude steel output increased to 151.70 million tonnes in September, with an increase of 4.4% this year.
- China remains world top producer with 80.8 million tonnes of output up 7.5% YOY in September.
- China produced 53.30% of total world output in September, which is 0.40% up from August.
- SHFE Rebar prices remain below 4200 as production increased by 4.9% during September as compared to same month last year. Rebar production rose 18.28 million tonnes during September to 153 million tonnes up by 4.5% YOY as reported by China's National bureau of statistics (NBS) . Rebar accounts for 51.2% of total long steel production in China.
- Demand in the near-term remains strong as inventories kept drying up week on week, with consumption from the construction sector increasing significantly . However relaxed winter production cut this year have reduced hopes of further bullish move in steel prices.

Outlook

- Rebar prices on SHFE exchange may remain sideways with negative bias unless it breaks above its critical resistance of 4220; further decline is possible on break below 4052 towards next support level of 3971 and 3903 in near term.

Zinc Outlook negative while below \$2700

- Base metals have mostly drifted lower as dollar continues to strengthen
- Weak global equity markets have had a negative sentimental impact on the commodity space in the past two weeks thus pushing dollar higher and promoting the risk averse environment
- On-warrant zinc stocks in LME-registered warehouses — metal available to the market — have fallen below 100,000 tones ,from almost 240,000 tons in August and are close to 10-year lows

Outlook

- LME 3M Zinc has declined on Thursday after facing resistance near \$2675 and is currently trading below the 20-day SMA indicating weakness in the coming sessions. While zinc is below \$2675-85 it could continue to drift lower towards \$2590 and \$2530 in the next few days.

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