

**Improved prospects for U.S.-North Korea summit, keep Gold trading lower**

- Gold drops as optimism that summit between President Donald Trump and North Korea's Kim Jong Un will go ahead hurts haven demand, and dollar holds recent gains.
- Dollar Spot Index -0.2% on Monday, after capping sixth weekly rise on Friday for 4.5% advance in that period, Strengthening dollar has been the most significant factor in gold's decline over past few weeks, along with unwinding of bullish bets
- Gold output in Australia, the No. 2 producer, declined in first three months on the seasonal wet weather.

**Source: Bloomberg.**

**Our view:** These news articles are suggesting minor negative sentiments in Gold prices. The counter may hold and trade in a tight range of \$1281-\$1326 for a short-term period. Gold bounced from a recent low of \$1281 and spiked above \$1306, now holding this psychological level of \$1300, still far away from breaking the critical resistance of 20 DMA at \$1326 and major bullish move may happen above this level towards recent high of 1356 and more above this level till \$1365-\$1375. A negative trend may emerge again if counter breaks recent low of 1281 towards next level of support till \$1277 and \$1263.

**Brent and WTI have fallen by 6.4 percent and nearly 9 percent respectively from peaks reached earlier in May.**

- Oil prices extending a steep decline in the previous session, as the market eyed an increase in output from the world's three top crude producers, Russia, the United States and Saudi Arabia.
- Saudi Arabia, the de-facto leader of producer cartel OPEC, as well as top producer Russia, said on Friday they were discussing raising oil production by some 1 million bpd.
- Surging U.S. crude production showed no sign of decline as drillers continue to expand their search for new oil fields to exploit.
- U.S. energy companies added 15 rigs looking for new oil in the week ending May 25, bringing the rig-count to 859, the highest level since 2015.
- U.S. crude production has already surged by more than 27 percent in the last two years, to 10.73 million barrels per day (bpd), bringing its output ever closer to that of Russia, which pumps around 11 million bpd.

**Source: Reuters**

**Our view:** WTI Crude Oil prices on NYMEX Corrected from the recent high of \$72.91 and holding below \$70, as we see the further break below 69.20 may keep prices under pressure towards next level of support till 65.84 in near term. Bullish will be back only if it holds and trades above \$72.30. Those are selling from minor pullback from current levels may keep the stop loss above \$72.30 for near-term while trader may add more quantity if it holds below 69.20 for a target if 65.80 levels.

**Nickel in Shanghai pares Friday's advance to near 2015 highs, as lower oil prices and weaker U.S. economic data weigh**

- Nickel inventories extend declines last week, with LME stockpiles at lowest since June '14, SHFE at lowest since Nov. '15

**Source: Bloomberg**

**Our view :** Short-term bullish bias may keep Nickel 3 Month contract on LME which is strongly supported around \$14300 per ton, while immediate strong resistance is only seen around \$16706 per ton, Counter is holding above all short-term moving average and first negative indicator will emerge only if it breaks and hold below 50 MDA at \$13957 per ton

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