

Gold - Fundamental Highlights

Fed Meeting: Renewed expectations of a faster pace of rate hikes coming on the back of a string of bullish U.S. economic data, strengthening investor expectations that the U.S. economy was on a solid footing.

Dollar: The dollar wallowed near a three-week low against peers as U.S. Treasury yields fell sharply, while the euro's recovery remained intact amid expectations that the European Central Bank would begin unwinding its stimulus program.

U.S. Data: The number of Americans filing for unemployment benefits unexpectedly fell last week, pointing to a further tightening in labor market conditions.

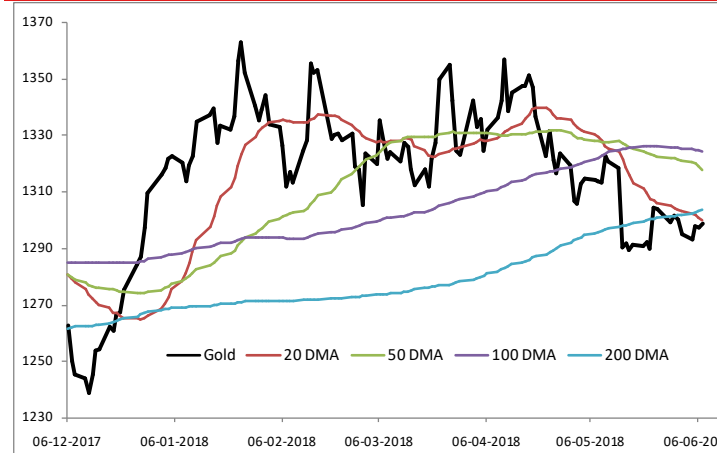
Demand: Holdings of SPDR Gold Trust, a gold-backed exchange-traded fund, fell 0.03 percent to 836.13 tonnes on Tuesday from 836.42 tonnes on Monday.

Gold Jewellery Sales: In the number one market China, sales are finally picking up after years of decline. Indian imports expected to fall to 77.6 metric tons last month from 126.2 tons in the same period last year.

U.S. President Donald Trump is considering a shift in the effort to revamp the North American Free Trade Agreement to separate talks with Canada and Mexico.

Russia May old Reserves fall to \$80.51b m/m: Central Bank, Official reserve assets at \$456.6b in May from \$459.9b in April

Comex Gold Fut. - Historical Daily Chart

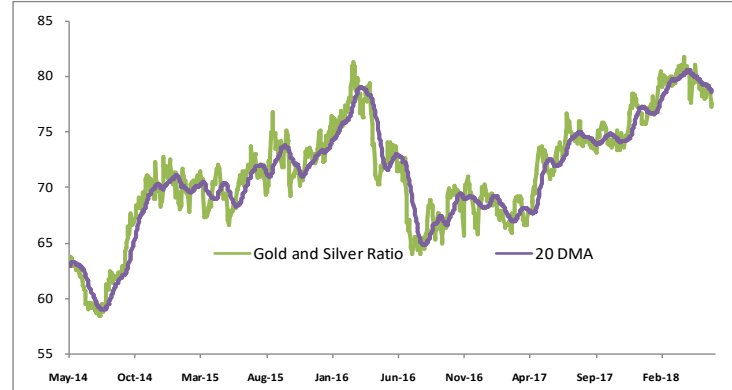


Source: Comex Gold near month contract Daily Price movement

Price Movement % Change

Commodity	Prv Close	5D	MTD	YTD	3YTD
Gold	1298.7	0%	-1%	-1%	-1%
Silver	16.815	2.2%	2.1%	-6.8%	-0.4%

Gold and Silver Ratio



Source: Comex Gold and Silver Ratio Chart since May 2014

Key Technical Levels

Pivot Levels	1298.5	
Support	1289.7	1280.1
Resistance	1308.1	1316.9
Moving Average		
	Simple	Exponential
MA5	1297.7	1298.8
MA10	1298.3	1297.8
MA20	1296.5	1300.0
MA50	1313.2	1308.6
MA100	1321.8	1311.0
MA200	1306.2	1301.3
14 Days RSI	47.2	

Technical Outlook

Gold trading in a range (\$1284-\$1321) needs a fresh breakout on either side on the weekly chart. Gold may find a strong support base around \$1284-\$1269; if this level is maintained, any break above \$1308 may push the counter higher towards \$1321 for the short term. While a break below \$1291 may push counter lower till \$1284 and further more below this level till \$1269. A positional bullish move may happen only above \$1321 towards the next level of resistance around \$1355.

Recommendation: Gold is looking positive on a close above \$1321; traders may consider buying with a stop loss below \$1284, for a target of \$1355 in the near term.

Copper - Fundamental Highlights

Possible mine strike: The union of workers at the BHP-operated Escondida copper mine in Chile last week kicked off labor negotiations with a contract proposal that included a bonus of about \$34,000 per worker, sparking fears of a possible strike.

China Data: China imports surged on robust demand, trade surplus at \$24.90 billion, China's May exports hold up, Imports Surged on robust demand. Exports rose 12.6 percent in May, higher than a forecast of 11.1 percent. Imports surged 26 percent, leaving a trade surplus of \$24.9 billion.

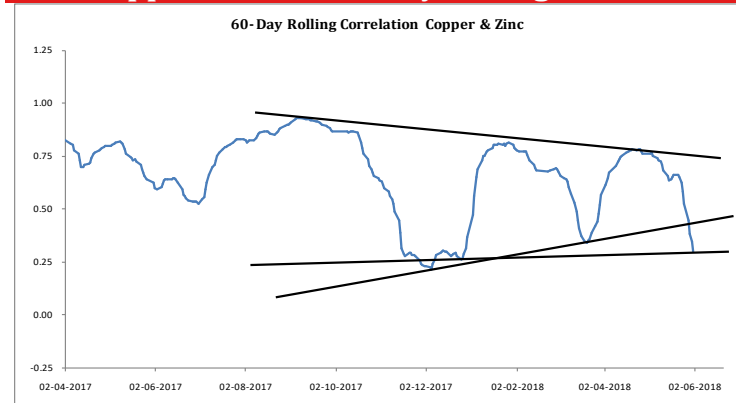
CHILE Output: Chile's copper production in April jumped 6.4 percent from the same month a year earlier, boosted by increased output at large privately held mines in the world's top copper producer.

Copper Zinc Spread: The 60-day rolling correlation of Copper & Zinc has been trading in a symmetrical triangle which was broken on the downside a few days back, however, the ratio seems to be at a support of the horizontal trend line indicating a rebound for the correlation and thus for both the individual commodities as well.

Price Movement % Change

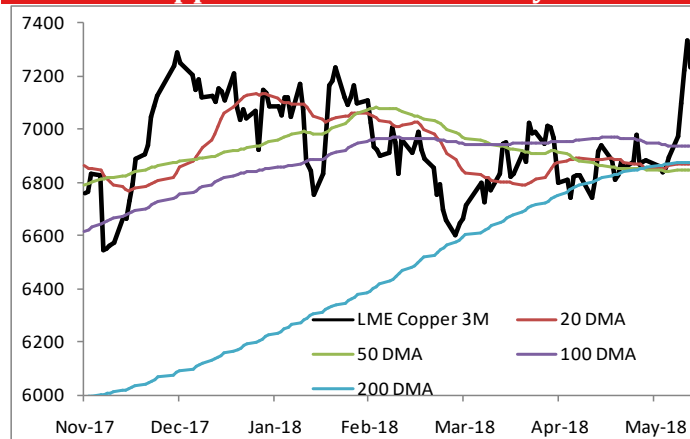
Commodity	Prv Close	5D	MTD	YTD	3YTD
Copper	7332	7.0%	8.7%	30.4%	60.5%
Aluminium	2312	0.9%	-1.9%	21.3%	47.8%
Nickel	15520	2.0%	11.8%	76.2%	80.8%
Zinc	3183	2.7%	4.0%	30.1%	59.0%

LME Copper and Zinc 60 Day Rolling Correlation



Source: LME 3M Copper and Zinc

LME Copper 3M - Historical Daily Chart



Source: LME 3 Month Copper daily closing prices since Nov-2017

Key Technical Levels

Pivot Levels	7134.4	
Support	6921.8	6589.2
Resistance	7467.1	7679.7
Moving Average		
	Simple	Exponential
MA5	7169.7	7165.4
MA10	7010.8	7073.3
MA20	6943.1	6993.7
MA50	6889.4	6938.4
MA100	6938.8	6910.4
MA200	6884.2	6764.9
14 Days RSI	70.6	

Technical Outlook

Copper faces stiff resistance near \$7317 per ton of the highs of December 2017 and need to break above for a further bullish move. Profit booking is keeping prices under pressure and an immediate support base is seen around \$7056 per ton. The short-term trend is still looking positive and buying on corrective dips is preferred over selling on the rise.

Recommendation: Copper is looking strong and traders may consider buying on minor dips till 7250-7200 with a stop loss below 7056 for a target of 7400 and 7600 in the near term.

Crude – Fundamental Highlights

Crude Oil spread between Brent and WTI: One of the key features of oil markets recently has been the widening discount of U.S. WTI crude versus Brent, which has almost quadrupled since February to more than \$11 per barrel, which is its steepest discount since 2015.

U.S. crude oil production hit another record last week at 10.8 million barrels per day (bpd). Rapid increase in production from the U.S. pushed up this spread. In North America, surging U.S. output has put pressure on WTI crude futures.

Russia & OPEC Meeting: Brent has been pushed up by voluntary production cuts led by the Middle East dominated producer cartel of the OPEC and by the top producer Russia, which was put in place in 2017.

The group and Russia are due to meet at its headquarters in Vienna on June 22 to discuss the production policy. While the outcome of those talks is unclear, most analysts do not think that OPEC will turn on its taps all the way.

Price Movement % Change

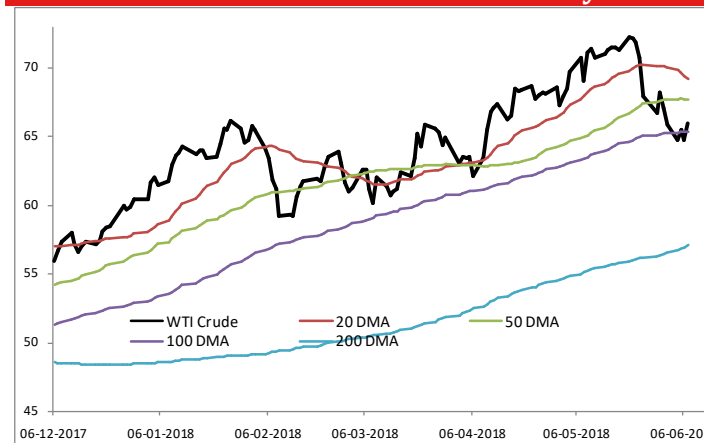
Commodity	Prv Close	5D	MTD	YTD	3YTD
Crude WTI	65.95	-1.6%	-4.5%	-1.6%	-1.6%
Brent	77.32	-0.3%	3.7%	54.9%	38.9%
Nat. Gas	2.93	-0.7%	7.2%	-3.0%	18.4%

Spread Between WTI and Brent Crude Oil



Source: Nymex and ICE near month Future contracts

NYMEX WTI Crude Oil - Historical Daily Chart



Source: Nymex WTI Crude daily price quote since Dec-2017

Key Technical Levels

Pivot Levels	65.7	
Support	64.1	62.6
Resistance	67.2	68.8
Moving Average		
	Simple	Exponential
MA5	65.4	65.7
MA10	66.0	66.4
MA20	68.2	67.3
MA50	68.1	67.4
MA100	65.5	65.3
MA200	60.8	61.9
14 Days RSI	40.6	

Technical Outlook

Crude Oil WTI futures contract is finding a support base near \$64.22 per barrel and a stiff resistance at \$67.30 per barrel. Until we see any breakout on any direction, the range bound movement may continue further. Although the counter has corrected from the recent high of \$72.83 per barrel, the decline may continue further towards \$61.95 per barrel and more below this level till \$57.80 per barrel as it breaks and holds below \$64.22 per barrel.

Recommendation: The short term negative trend may continue in crude oil prices which are looking weak. Traders may sell with a stop loss above \$67.30 for targets of 64.22 and 61.95 in the short to medium term.

Sugar – Fundamental Highlights

India, the world's second-biggest sugar producer, is set to limit supplies in the local market to prevent a further fall in prices due to a record harvest.

The Union Cabinet approved a proposal by the Food Ministry to create a sugar stockpile of 3 million metric tons for one year.

Govt. of India has approved a bailout package for the sugar sector to help the struggling mills and cane growers. The Rs.8,500-crore bailout package was approved for the sugar industry which includes a Rs. 4,500 crore soft loan for building an ethanol production capacity.

India Weekly Monsoon Progress Report

The Southwest Monsoon further advanced into some more parts of NorthEast, Bay of Bengal and some parts of Mizoram & Manipur on 1st June.

The overall rainfall activity over the country is also expected to increase across the country, particularly in the eastern and western regions, as the monsoon takes its normal course of progression.

The Southwest monsoon is likely to cover the entire country by July 15. Overall rainfall across the country remained 7% below normal with only the south peninsular and central regions having recorded above normal rainfall since June 1. Rainfall in the two regions is likely to subside next week onwards.

Price Movement % Change

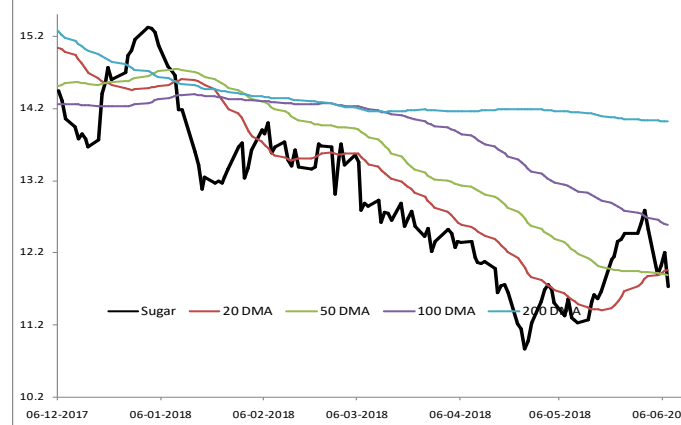
Commodity	Prv Close	5D	MTD	YTD	3YTD
Soybean	974.25	-4.3%	-3.7%	4.7%	-14.6%
Cotton	93.72	0.6%	9.8%	23.7%	42.3%
Sugar	11.73	-8.3%	1.5%	-17.0%	-38.3%
Cron	376.25	-4.5%	-4.9%	-2.2%	-12.0%

India: Weekly Monsoon Progress



Source: IMD

ICE Sugar Fut. - Historical Daily Chart



Source: ICE Sugar daily price quote since Dec-2017

Key Technical Levels

Pivot Levels	12.1	
Support	11.3	10.9
Resistance	12.6	13.4
Moving Average		
	Simple	Exponential
MA5	12.1	12.1
MA10	12.3	12.1
MA20	12.0	12.0
MA50	11.9	12.1
MA100	12.6	12.5
MA200	13.5	13.5
14 Days RSI	45.3	

Technical Outlook

ICE Future contract sugar prices are looking weak on the charts as the counter is not able to sustain and hold recent gains from the low of \$10.69 per pound and a failed bullish move near \$12.97 per pound this month. A further decline is possible towards \$11.12 per pound and further below this level till a low of \$10.13 per pound (Low registered during Aug 2015)

Recommendation: Traders may consider selling on minor pullback till \$12.20-\$12.40 per pound by taking a Stop Loss above 200 DMA at \$13.50 per pound for target of \$10.13 per pound in the short term while medium term move may see a further decline till \$9.87 per pound.

Market Data

Commitment Of Traders Report

Crude Oil - Money managers have cut their bullish Nymex WTI crude oil bets by 53,285 net-long positions to 324,235, as per the weekly CFTC data on Futures and Options. The net-long position was the least bullish in almost seven months. Long-only positions fell 42,041 lots to 374,904 in the week ending May 29. The long-only total was the lowest in more than seven months. Short-only positions rose 11,244 lots to 50,669. The short-only total was the highest in about six months.

The Commodity Futures Trading Commission released its weekly Commitments Of Traders Report for the week ending May 22 on Friday.

Commodity	Price	Long Positions		Short Positions		Net Positions		Open Interest	
	% Change	Contracts	% Change	Contracts	% Change	Contracts	% Chng	Contracts	% Chng
NYMEX Crude WTI	-7.5%	729.70	-4.6%	121.87	17.9%	0.608	-8.1%	2620.93	-0.8%
ICE Brent	-5.1%	609.64	-5.1%	248.58	2.4%	0.36	-9.7%	2642.06	-2.0%
COMEX Gold	0.5%	193.65	9.3%	78.52	-21.1%	0.12	48.2%	469.38	-6.7%
COMEX Silver	-1.2%	81.10	4.5%	65.52	3.4%	0.0156	9.1%	207.61	4.7%
CBOT Soybean	0.0%	219.13	2.6%	87.39	-3.7%	0.13	7.2%	514.00	-0.3%
ICE Cotton	6.7%	141.16	0.0%	17.07	26.4%	0.12	-2.8%	306.93	3.3%
CBOT Corn	-1.2%	544.41	0.1%	227.44	-0.8%	0.32	0.8%	1959.25	4.0%
ICE Sugar	2.6%	246.11	1.4%	257.72	-13.3%	-0.01	-78.8%	1006.97	-2.5%

(Source: CFTC, Value in 1000Qty, price in percent change)

PMI Data – Developed Market and Emerging Markets

U.S. Manufacturing Purchasing Managers Index (PMI)

Latest Release Jun 01, 2018 **Actual - 56.4, Forecast - 56.6, Previous - 56.6**

Markit US Manufacturing PMI for May 2018 came in at 56.4, which was close to the estimate of 56.6 and the previous reading of 56.5 for April. This was the second best improvement in the health of the manufacturing sector since Sept 2014, indicating expansion in output and new orders. Favorable demand conditions along with increased client demand were responsible for the improved factory output.

China Manufacturing Purchasing Managers Index (PMI)

Latest Release May 31, 2018, Actual - 51.9, Forecast - 51.4, Previous- 51.4

Caixin General Manufacturing PMI for China stood at 51.1 in May 2018 which was also the figure in April 2018, however, the market consensus was 51.3. New export sales declined which was offset by growth in output and new orders. Employment took a hit at the cost of cost reduction while both input and output costs increased thus intensifying inflationary pressures. Good number of PMI will indicate robust demand in metals sector.

Developed Markets Heat Map

	Date	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
Developed Markets	Canada PMI	53.5	54.7	55.5	55.9	55.1	54.7	55.5	54.6	55	54.3	54.4	54.7	55.9	55.6	55.7	55.5
	US PMI	55	54.2	53.3	52.8	52.7	52	53.3	52.8	53.1	54.6	53.9	55.1	55.5	55.3	55.6	56.5
	UK PMI	55.2	54.5	54.1	57.8	56.6	54.5	55.4	56.9	56	56.2	58	56	55.1	54.9	54.8	53.9
	Japan PMI	52.7	53.3	52.4	52.7	53.1	52.4	52.1	52.2	52.9	52.8	53.6	54	54.8	54.1	53.1	53.8
	EU PMI	55.2	55.4	56.2	56.7	57	57.4	56.6	57.4	58.1	58.5	60.1	60.6	59.6	58.6	56.6	56.2
	Australia PMI	55.3	55.7	56.3	55.5	55.9	56.2	54.4	53.5	53.8	55.5	56.3	57.1	55.4	55.6	54.3	55.5

Emerging Markets Heat Map

	Date	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
Emerging Markets	China PMI	51	51.7	51.2	50.3	49.6	50.4	51.1	51.6	51	51	50.8	51.5	51.5	51.6	51	51.1
	India PMI	50.4	50.7	52.5	52.5	51.6	50.9	47.9	51.2	51.2	50.3	52.6	54.7	52.4	52.1	51	51.6
	SA PMI	50.5	50.7	50.3	50.2	49	50.1	49.8	48.5	49.6	48.8	48.4	49	51.4	51.1	50.4	50
	Brazil PMI	44	46.9	49.6	50.1	52	50.5	50	50.9	50.9	51.2	53.5	52.4	51.2	53.2	53.4	52.3
	Russia PMI	54.7	52.5	52.4	50.8	52.4	50.3	52.7	51.6	51.9	51.1	51.5	52	52.1	50.2	50.6	51.3

ABans Group

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