
Copper rises as protestors at Las Bambas reject govt. Deal
Gold finds support near \$1285-80 as Dollar retreats
Oil hits fresh 2019 highs as markets eye sanctions on Iran
Indian rupee strong on Dollar weakness; RBI meeting scheduled for April 4

COPPER RISES AS PROTESTORS AT LAS BAMBAS REJECT GOVT. DEAL

- ▲ Copper has advanced today morning after community in Peru that blocked roads to Las Bambas copper mine has decided not to negotiate with the government until the community's jailed lawyers are freed
- ▲ The blockade at Las Bambas has already affected Treatment Charges in China, if protests continue then China may be forced to buy more refined metal from overseas or raw down on inventories
- ▲ Dollar also weakened mildly yesterday and has continued its decline today helping copper gain further along with other base metals
- ▲ Positive data from China along with optimism around the US-China trade war situation is acting as a tailwind for base metals.
- ▲ Chile has reported its lowest production in two years due to heavy rains in Feb 2019, Codelco has also warned that unless government approves plans to modernize its mines and sites the copper output could decline further

Outlook

- ▲ LME Copper prices has found support near its 20-day SMA on the daily charts from where it has bounced back yesterday and continues to rise today. Mine disruptions along with drying up inventories are supporting prices. Copper may find support around 6285; short-term trend remains positive above this level, meanwhile, immediate resistance is seen near 6545-6702. Immediate rise towards 6545 looks eminent.

GOLD FINDS SUPPORT NEAR \$1285-80 AS DOLLAR RETREATS

- ▲ Gold took support near \$1285-80 per ounce to rebound even though the overall sentiment remains "RISK-ON" due to optimism around the US-China trade talks
- ▲ Dollar index has faced resistance on Tuesday and has declined in the morning Wednesday session which has helped Gold steady. However the precious metal continues to trade near four week lows
- ▲ CFTC – Net long for gold futures increased, by +31345 contracts, to 119741 last week. Speculative long positions soared by +10122 contracts, while shorts slumped by -21223
- ▲ India's provisional customs data show gold imports in March were 67 tons that lifted the previous fiscal year's overseas purchases of the precious metal to 800 tons. Gold imports declined slightly compared to previous fiscal year from 955 tons in 2017-18.
- ▲ Brexit- Dead lock continues as May tries to reach out to Mr. Corbyn to reach a consensus on the terms of Brexit, uncertainty around the deal continues. Market now clings on to hope that cross party talks would help parliament reach a deal.
- ▲ Venezuela- US condemns Russia troop deployment to troubled Venezuela. US President Trump is considering imposing sanctions on companies from other countries that do business with Venezuela to cut off revenues to President Nicolas Maduro. Deepening of Venezuelan crisis is supporting gold prices.

Outlook

- ▲ Comex gold has taken support and is trading flat to positive since the last four days, it took support near its critical demand zone near \$1285-80. It has also found support near the weekly centre band and a rebound looks likely in the short term towards \$1310-\$1315. Counter may find some support from ongoing geopolitical issues in Venezuela and Brexit, positive equity markets have not dented the sentiment in precious metal.

OIL HITS FRESH 2019 HIGHS AS MARKETS EYE SANCTIONS ON IRAN

- ▲ Oil hits 2019 highs on the back of optimism from Chinese economic data and US-China trade war
- ▲ US officials said Washington is considering further sanctions on Iran also a key terminal in Venezuela terminal halted operations. After restarting on Friday following a prolonged blackout, Jose crude export terminal has halted operations due to a lack of electricity.
- ▲ Three of the total eight countries which were given waivers by Washington to buy oil from Iran have completely stopped importing oil from Iran. These waivers have a deadline of May 2nd when the waivers end for India, China, Greece, Italy, Taiwan, Japan, Turkey and South Korea
- ▲ The API (American Petroleum Institute) reported a build in crude oil inventory of about 3.0 million barrels for the week ending March 29, against the expectations of a 425,000 barrel draw. However crude has not declined even on a fundamentally bearish data on crude indicating underlying strength in oil
- ▲ OPEC supply declined to a four-year low in March along with positive data from China and US has ebbed the global growth concerns, thus demand might not be impacted negatively however the supply has reduced propping up prices.
- ▲ CFTC Report- Net longs for crude oil futures jumped +33873 contracts to 448619 for the week. Speculative long positions raised +25989 contracts while shorts plunged -7884.

Outlook

- ▲ Optimism about a U.S.-China trade deal, the OPEC cuts, and the U.S. sanctions on Iran and Venezuela continue to push oil prices in the short term. Brent oil could continue to rise as the near term trend remains positive along with positive fundamentals. Brent may continue its positive up move towards 70-71.00.

INDIAN RUPEE STRONG ON DOLLAR WEAKNESS; RBI MEETING SCHEDULED FOR APRIL 4

- ▲ The rupee opened strong on Wednesday as strong FII inflows continue along with weakness in Dollar index.
- ▲ RBI meeting this week may give fresh direction, we expect RBI to reduce benchmark rate by 25 basis point in upcoming meeting after RBI changed its stance from 'calibrated tightening' to 'neutral' in last meeting.
- ▲ Crude oil prices continue to raise putting pressure on the Rupee, trend for crude remains positive and we can expect further strength for crude in the near term. Even with strong crude prices INR has been appreciating and a further strength could be seen if crude experiences some correction in the near term.
- ▲ Dollar index has strengthened which is also acting negatively for the rupee, however rupee has been resilient. Although rising crude oil prices still remain a threat to domestic currency as rising crude oil prices may increase imports bill this quarter.

FII and DII Data

- ▲ Foreign funds (FII's) bought shares worth Rs. 543.36 crore, while Domestic Institutional Investors (DII's) sold shares to the tune of Rs 437.70 crore on 2nd April
- ▲ In April 2019 FIIs net bought shares worth Rs 1442.15 crore, while DII's were net sellers to the tune of Rs.1470.51 crore.

Outlook

- ▲ The current weakness in the dollar against Rupee may continue further, as USD/INR could decline further on the back of consistent FII inflows. USD-INR pair has continued to decline after breaking its support zone of 69.30; we may witness a fresh decline towards 68.30-67.80. FII inflow could continue to support Indian rupee, meanwhile rising crude oil prices is a threat to import bill this quarter.

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