
Brent oil hovers around 69.30 over progress in US-China talk and tightening supply by OPEC+
Copper remains in range, optimism over trade talks provide support
Gold near 10 week low, focus on Monthly US Non-farm payroll data
Indian rupee remains lower against the dollar after RBI meeting and recovery in crude oil prices

BRENT OIL HOVERS AROUND 69.30 OVER PROGRESS IN US-CHINA TALK AND TIGHTENING SUPPLY BY OPEC+

- ▲ Oil prices holding the range of 68.75-70 after a rally from recent low, the market is concerned over supply concerns from OPEC+ members and worries about progress in U.S.-China trade talks.
- ▲ Oil prices have rallied in the first quarter of 2019 after the OPEC+ nations which includes Russia agreed to cut output by 1.2 million barrels per day (bpd) to prevent a supply glut.
- ▲ Inventory- According to the weekly report published by EIA, U.S. crude oil inventories soared unexpectedly last week as imports climbed and production hit a new record.
- ▲ Trade talks- U.S. President Trump stated that a trade deal with China was getting very close and could be reached in about four weeks.
- ▲ Economic Slowdown- Lower German factory orders may hit oil demand prospects.

Outlook

- ▲ Brent oil may remain higher following supply concern from OPEC+ nation and US oil imports. Although weakness in economic numbers indicating a slowdown in the global economy this year which may reduce demand. Brent oil is facing stiff resistance around \$70 per barrel and further bullishness can be seen if it breaks this resistance on a weekly closing above these levels. Key support remains near 68.40-66.40

COPPER REMAINS IN RANGE, OPTIMISM OVER TRADE TALKS PROVIDE SUPPORT

- ▲ Base metals along with Copper remain firm mainly supported by news that the US-China are edging closer to a trade deal after months of dispute.
- ▲ President Trump expecting to reach a trade deal in four weeks.
- ▲ LME Copper warehouse stocks spurt by 30,375 tonnes to 198,325 tonnes in the latest report.
- ▲ The Shanghai Futures Exchange is closed today for the Tomb Sweeping Day holiday and will reopen on Monday.
- ▲ Monthly US nonfarm payroll data will be released later today which may indicate the health of the US economy.

Outlook

- ▲ LME 3M Copper remains in the range between 6400-6550 this week with slight bullish bias as US-China may reach a trade deal. We are tracking US jobs reports which may provide more direction to the copper demand, but increasing LME copper inventories and lower German factory orders have dampened the sentiments.

GOLD NEAR 10 WEEK LOW, FOCUS ON MONTHLY US NON-FARM PAYROLL DATA

- ▲ Gold dropped but was trading near 10-week low as the dollar index remained firm against Japanese yen over the progress in the U.S.-China trade dispute and strong expected positive U.S. economic data later today.
- ▲ U.S. President Donald Trump said on Thursday the two sides were close to a trade deal that could be announced within four weeks.
- ▲ SPDR Holding - Holdings in the world's largest gold-backed ETF SPDR Gold Trust, fell for a fourth consecutive session yesterday, Holdings were at their lowest level since Dec. 10 at 24.52 million ounces.

Outlook

- ▲ International spot gold prices finding minor support around \$1280 per ounce and any break below this level may push prices lower towards \$1277-1265 per ounce in the near term, we can expect a strong recovery in dollar index after positive non-farm payroll data today and it might be further supported by optimism over US-China trade talks.

INDIAN RUPEE REMAINS LOWER AGAINST THE DOLLAR AFTER RBI MEETING AND RECOVERY IN CRUDE OIL PRICES

- ▲ RBI cut its benchmark repo rate by 25 bps to 6% but maintained its policy stance at neutral citing upside risks to the economy.
- ▲ The RBI, which targets inflation at 4% in the medium term, cut forecast for consumer price growth
- ▲ The RBI also downgraded GDP growth forecast for the fy19-20 to 7.2% from 7.4% seen in February.
- ▲ Brent Oil prices remain near 68.50-70 range are a significant reason of worry as this may result in higher import cost seeing robust demand in this quarter.

FII and DII Data

- ▲ Foreign funds (FII's) sold shares worth Rs. 226.19 crore, while Domestic Institutional Investors (DII's) bought shares to the tune of Rs 1206.16 crore on April 4th.
- ▲ In April 2019 FIIs net bought shares worth Rs 175.48 crore, while DII's were net sellers to the tune of Rs. 345.18 crore.

Outlook

- ▲ Indian rupee is unable to hold on to any gains post RBI meet which lowered growth forecast in anticipation that lower inflation will create rural distress. Indian rupee is expected to weaken further if crude oil prices continue to trade higher in the near term. USD-INR could find support near 68.80-68.40 while important resistance is seen around 69.69-70.23

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