
India Economic Survey projects FY20 GDP growth rate at 7%, eye on the budget later today
Gold slightly up after trump comment on currency manipulation, eyes on Nonfarm payroll data
Brent oil prices fell as global growth concern weigh on supply cut
Copper to continue to trade in a tight range with weak demand outlook
China Rebar inventories continued to grow following production curb for the first week of July

INDIA ECONOMIC SURVEY PROJECTS FY20 GDP GROWTH RATE AT 7%, EYE ON THE BUDGET LATER TODAY

- ▲ Economic Survey 2019 was tabled in the Parliament yesterday on 4th July and the government is going to present the union budget today. As per the survey report, the FY20 GDP growth rate is estimated at 7%. The country's GDP growth has averaged 7.5 percent in the last five years of the Modi govt.
- ▲ Economic growth is high on Indian Govt's agenda, as to what the Finance Minister Nirmala Sitharaman, said on Tuesday in Parliament
- ▲ The Union Budget-2019 will be presented today. The market expects the budget 2019 to retain the divestment target at Rs. 90,000 crores. The Finance minister is meeting with various industry experts before the Budget presentation.
- ▲ Indian rupee remained higher as there was fall in crude oil amid concern about slowing global growth.

FII and DII Data

- ▲ Foreign Funds (FII's) sold shares worth Rs.28.60 Crore, while Domestic Institutional Investors (DII's) bought shares to the tune of Rs.58.59 crore on July 4rd.
- ▲ In July'19, FII's net sold shares worth Rs. 504.60 crores, while DII's were net buyers to the tune of Rs. 436.26 crores.

Outlook

- ▲ The Indian rupee is gaining from rising optimism over US-China trade war, while eyes on union budget to be presented today. Fall in crude oil prices from the current levels may support the Indian rupee further. USD-INR could find support near 68.80-68.40 levels, while an important resistance is seen around 70.23 levels.

GOLD SLIGHTLY UP AFTER TRUMP COMMENT ON CURRENCY MANIPULATION, EYES ON NONFARM PAYROLL DATA

- ▲ Gold in range ahead of U.S. jobs numbers (NFP) due today. Job numbers are critical for Federal Reserve to decide on interest rate hike.
- ▲ The dollar slipped and supported gold amid President Donald Trump's comments on Chinese and European currency manipulation.
- ▲ Fed and European Central Bank are most likely to add stimulus. U.S. equities closed at a record on Wednesday.
- ▲ US markets were shut on Thursday for the Independence Day holiday.
- ▲ Geopolitical tension is high after Trump warned Iran against stepping up uranium enrichment.
- ▲ U.S. and Chinese officials will talk by phone in the coming week as they seek to resolve a growing trade war between the two countries, said Larry Kudlow, Trump's chief economic adviser.
- ▲ Holdings in bullion-backed ETFs are near the highest since 2013.

- ▲ The Governor of Bank of England, Mark Carney, said a global trade war and a no-deal Brexit were growing risks to Britain's economy and that they may need more help to cope with a downturn.
- ▲ India's gold imports rose 12.6% in June from a year earlier to \$2.69 billion amid a jump in global prices to six-year highs.

Outlook

- ▲ Spot gold is looking strong on the weak dollar as optimism over US-China trade talk fades and concern over world economic slowdown increases. Geopolitical issues such as the tension between the US and Iran may also support precious metals. Immediate support can be seen around \$1408 per ounce while critical resistance remains near \$1442 per ounce.

BRENT OIL PRICES FELL AS GLOBAL GROWTH CONCERN WEIGH ON SUPPLY CUT

- ▲ Brent oil prices fell pressured by concerns over the outlook for global economic growth.
- ▲ EIA showed crude stockpiles fell 1.1 million barrels in the week ending on June 28, below expectations of a draw of about 2.96 million barrels.
- ▲ Oil prices also received support by extended output cuts by OPEC+ aimed at slowing global economy which could crimp demand. OPEC+ agreed to extend oil supply cuts of 1.2 million bpd until March 2020.
- ▲ Morgan Stanley lowered its long-term Brent price forecast to \$60 per barrel from \$65 per barrel while Barclays expects oil demand to grow at its slowest pace since 2011.
- ▲ US crude oil production fell again this week to 12.1 million bpd. EIA will release its weekly crude oil report today.

Outlook

- ▲ Brent oil dropped from rising concern over the world economy and projected drop in oil demand. OPEC supply cut and geopolitical issues in the Middle East may provide some support at lower levels. Immediate resistance is seen around \$64.20 per barrel while the key support level is seen around \$61.40 per barrel.

COPPER TO CONTINUE TO TRADE IN A TIGHT RANGE WITH WEAK DEMAND OUTLOOK

- ▲ Copper prices slide as demand prospect decreased after weak economic data. China's factory activity unexpectedly shrank in June. Chinese domestic and export demand may slump further and put strains on its vast manufacturing sector
- ▲ According to the private survey report, China's air conditioning output in July might fall more while construction and power sectors are expected to post stable growth

Trade war-

- ▲ The Chinese government is studying a plan to cut capital requirements for infrastructure projects in order to attract more private investment.
- ▲ China hopes that the U.S. will implement President Trump's promises to allow U.S. companies to sell to Huawei Technologies Co.

Mining News -

- ▲ Codelco is again delaying the return to normal operations at its Chuquicamata smelter until mid-August aimed concerns over the health of Chinese demand.
- ▲ Vedanta Resources Ltd. plans to ask a South African court to block the Zambian government's plans to sell its copper mines in the country

Outlook

- ▲ Copper lost momentum from US-China trade talks after weak PMI data. The purchasing managers' index slipped to a five-month low of 49.4 in June, from 50.2 in May; Copper prices also lost ground that the Chinese government may not provide economic stimulus as expected earlier. Important support is seen around 5830-5780 while important resistance is seen around 5971-6073.

CHINA REBAR INVENTORIES CONTINUED TO GROW FOLLOWING PRODUCTION CURB FOR THE FIRST WEEK OF JULY

- ▲ China's inventories of rebar increased following decreased demand and increased production curbs in the first week of July.
- ▲ High margins continued to boost steel production across steel mills.
- ▲ According to private survey reports the implementation of actual cutbacks at steel mills was more stringent than any previous round since winter.
- ▲ As of July 4, inventories across steel plants continued to shrink 1.9% on the week, to stand at 2.16 million mt, as speculative purchases from traders depleted in-plant stocks.
- ▲ Inventories across social warehouses stood at 5.74 million mt, up 1.8% on the week and up 20.7% on the year, both accelerating from growth a week ago.

DISCLOSURE & DISCLAIMER: ABANS BROKING SERVICES PVT. LTD. (ABSPL)

Prepared by:

Mr. Kamlesh Jogi | Market Research Analyst

email: kamlesh.jogi@abans.co.in

Phone: +91 22 68354176 (Direct)

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 61790000

Email: info@abans.co.in | Website: www.abans.co.in

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
