
Copper prices are likely to trade firm
Positive trend in crude oil to continue
Gold prices are likely to trade firm

COPPER PRICES ARE LIKELY TO TRADE FIRM

- ▲ Copper prices are trading in range near \$7674 per mt and sustaining near 7 year high. US stimulus hope and optimism over Covid vaccine is likely to provide support to the metal prices.
- ▲ As per official data, China's copper imports fell in November from the previous month. Arrivals of unwrought copper and copper products totaled 561,311 tonnes last month, which was down from 618,108 tonnes in October but up 16.2% from 483,000 tonnes in November 2019.
- ▲ On economic data front, U.S. Oct factory orders rose +1.0% m/m, stronger than expectations of +0.8% m/m. German Oct factory orders rose +2.9% m/m, stronger than expectations of +1.5% m/m. Albeit, U.S. Nov nonfarm payrolls rose +245,000, weaker than expectations of +460,000 and the smallest increase in 7 months.
- ▲ The worsening pandemic situation globally is forcing governments and countries to impose restrictions, the Covid virus has infected 67 million persons globally, with deaths exceeding 1.515 million.
- ▲ Copper inventory at LME warehouse stands at 149675 mt. LME warehouse stocks have increased nearly 67225 mt in last 3 month which is nearly 44% of current stock.

Outlook

- ▲ LME 3 month contract is likely to find support around 10 days EMA at \$7556 and 20 days EMA at \$7375 per mt. Meanwhile immediate resistance level could be seen around \$7756-7992 per mt

POSITIVE TREND IN CRUDE OIL TO CONTINUE

- ▲ WTI crude oil prices rallied to nine month high due to weakness in dollar index and OPEC+ production plan. Although rising number of coronavirus cases across the globe is likely to keep oil a lid on the price rally.
- ▲ OPEC+ ministers have agreed to add 500,000 bpd of crude production starting in January. Also, OPEC+ ministers agreed to hold monthly meetings to decide whether to approve similar-sized crude production increases in subsequent months.
- ▲ Meanwhile, China Nov crude imports rose +4.9% m/m to 10.6 million bpd, the first increase in four months. It is indicating an improvement in economic condition of china and supportive for crude oil prices.
- ▲ Rising optimism over stimulus is also providing support to crude oil prices. House Speaker Pelosi has said "there is momentum building" toward a compromise on the \$908 billion fiscal stimulus plan.
- ▲ Data from Baker Hughes Friday showed that active U.S. oil rigs rose by +5 rigs in the week ended December 4 to a 6-1/2 month high of 246 rigs. Also, Baker Hughes reported on Nov 6 that the number of global active oil rigs in Oct fell to a record low of 1,016 rigs (data since 1975).

- ▲ As per CFTC report, net long for crude oil futures declined -5474 contracts to 517165 for the week ending December 1. Speculative long position gained +4 190 contracts, while shorts rose +9 664 contracts.

Outlook

- ▲ WTI Crude oil prices for January expiry contract is likely to find support near 20 days EMA at \$43.94 per barrel and 50 days EMA at \$42.16 per barrel meanwhile critical resistance is seen around \$47.35 per barrel and \$48.40 per barrel.

GOLD PRICES ARE LIKELY TO TRADE FIRM

- ▲ Weakness in dollar index pushed gold prices higher. The lawmakers in US may pass additional debt-fueled pandemic stimulus before they break for the Christmas holiday after Speaker Pelosi late Tuesday sent a new proposal to Treasury Secretary Mnuchin.
- ▲ Dovish comments from global central banks are also providing support to precious metals. According to several ECB officials, the ECB at its meeting on Thursday will likely agree to extend the pandemic bond-buying program by a full year until the middle of 2022. ECB Governing Council member Kazaks said that an expansion of the ECB's emergency bond-buying program by 500 billion euros (\$603 billion) would be "reasonable" and that he is ready to support an extension of the program until mid-2022.
- ▲ Meanwhile, According to the CFTC Commitments of Traders report for the week ended December 1, net long for gold futures increased +16412 contracts to 260314 for the week. Speculative long position gained +4020 contracts, while shorts dropped -12392 contracts.

Outlook

- ▲ Gold prices are likely to find support at \$1816 and \$1790 per ounce levels while key resistance is likely to be seen around at 50 days EMA at \$1875 per ounce.

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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

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