
Copper slipped after China's car sales slumped and IMF cut growth forecast for the global economy

China's rebar trades marginally lower after the IMF lowered global growth forecast

Gold near two weeks high on trade tensions and world economic growth

Brent oil remains near five months high; IMF cut its global economic growth dragging the crude oil prices lower

The Indian rupee recovered marginally on foreign fund inflows

COPPER SLIPPED AFTER CHINA'S CAR SALES SLUMPED AND IMF CUT GROWTH FORECAST FOR THE GLOBAL ECONOMY

- ▲ Copper slipped from two-days high as focus shifted back to slow demand in China. China's car sales slump persisted with sales plunging for a 10th month, hurting demand for the metal used in engines.
- ▲ IMF cuts its growth forecast for the global economy
- ▲ Trump administration threatens tariffs on the EU, highlighting caution over risk assets including copper
- ▲ Bullish comments from the industry's major gathering in Chile pushed copper prices marginally higher earlier this week
- ▲ China Retail car sales fell 12 percent to 1.78 million units in March, which follows an 18.5 percent drop in February and a 4 percent decline in January
- ▲ An indigenous community in Peru voted to suspend its two-month road blockade of Las Bambas copper mine for two days until the government visits the region on Thursday

Outlook

- ▲ LME 3M Copper remains in the 6400-6550 range this week with slight bullish bias as US-China may reach a trade deal. Increasing LME copper inventories and lower German factory orders have dampened the sentiments though hope for stimulus from the Chinese government may lend support in the near term

CHINA'S REBAR TRADES MARGINALLY LOWER AFTER THE IMF LOWERED GLOBAL GROWTH FORECAST

- ▲ Steel and iron ore futures in China corrected marginally from recent high on IMF forecast about global economic growth. While rebar future contracts were trading higher a day before amid increased demand from the construction sector along with ore marking which is trading near a record high
- ▲ For China steel industry, April and May are seen as peak season as construction activity resumes amid warmer temperature after a winter break. Steel mills are increasing production in anticipation of additional demand as China plans more infrastructure projects to support its cooling economy
- ▲ Iron ore prices have sky rocked after the closures of Brazilian mines; meanwhile, Australian exports have rattled markets further in recent days. Brazil's iron ore exports in March fell 23 percent from February and 26 percent from a year ago, as top miner Vale SA's operations were curbed following a fatal tailings dam disaster in January

GOLD NEAR TWO WEEKS HIGH ON TRADE TENSIONS AND WORLD ECONOMIC GROWTH

- ▲ Gold prices trading near a two-week high as investors remain worried about the trade tensions between the United States and Europe. Gold also received support from International Monetary Fund global growth outlook
- ▲ U.S. President Donald Trump threatened to impose tariffs on \$11 billion worth of European Union products opening a new front in his global trade war
- ▲ The International Monetary Fund cut its global economic growth forecasts for 2019. The world economy is likely to grow 3.3 percent this year, down from the 3.5 percent last year which is weakest since 2009
- ▲ According to the IMF, Britain is likely to suffer economic damage equivalent to the loss of at least 2-3 years of normal growth if it leaves the European Union without an exit deal
- ▲ European Union leaders will grant British Prime Minister Theresa May a second delay to Brexit. Meanwhile, France pushed for conditions to limit Britain's ability to undermine the bloc
- ▲ The European Central Bank is all but certain to keep policy on hold

- ▲ Venezuela removed eight tonnes of gold from the central bank's vaults last week
- ▲ SPDR Gold Trust, the holdings fell 0.35 percent to 757.85 tonnes on Tuesday

Outlook

- ▲ Short term recovery in gold prices is a result of weakness in the dollar index after the IMF report on world economic growth. Gold may face minor resistance around \$1305-1312, while key support remains near \$1285. Gold is receiving support from trade tension between US-Russia and world economic condition after recent tariff war but Higher equities, US-China trade talks and FOMC minutes this week may push the dollar slightly higher which may result in softer gold prices.

BRENT OIL REMAINS NEAR FIVE MONTHS HIGH; IMF CUT ITS GLOBAL ECONOMIC GROWTH DRAGGING THE CRUDE OIL PRICES LOWER

- ▲ Crude oil declined from its five-month highs after the International Monetary Fund cut its global economic growth forecasts. Rising U.S. crude production and inventories continued to weigh on the market
- ▲ Russia did not support an uncontrollable rise in oil prices, it signaled to retreat from its production-cutting deal with OPEC
- ▲ Japanese government officials held talks with their U.S. counterparts from state and energy departments on Iran sanctions on April 8 in Washington
- ▲ EIA Monthly report - U.S. crude production was expected to rise 1.43 million bpd in 2019 to average 12.49 million bpd, from its previous forecast for a rise of 1.35 million bpd
- ▲ API inventory -U.S. crude inventories rose by 4.1 million barrels last week against expectations of 2.3 million barrels. Crude stocks at the Cushing, Oklahoma, and delivery hub fell by 1.3 million barrels. The Energy Information Administration releases its oil data on Wednesday

Outlook

- ▲ Brent oil may remain higher following supply concerns from OPEC+ nations and US oil imports. Although weakness in economic numbers indicating a slowdown in the global economy this year which may reduce demand. Brent oil has crossed stiff resistance around \$70 per barrel; we see a further bullish move towards \$72.15 and \$73.20 per barrel in the near term, key support remains near 68.40-66.40

THE INDIAN RUPEE RECOVERED MARGINALLY ON FOREIGN FUND INFLOWS

- ▲ The rupee ended higher against the US dollar on sustained foreign fund inflows into the debt segment. Market participants are cautious ahead of Fed meeting minutes. On the domestic inflation and industrial production number will be released later this week. IMF has trimmed growth figures for India as well as for other major nations

FII and DII Data

- ▲ Foreign funds (FII's) bought shares worth Rs. 1212.35 crore, while Domestic Institutional Investors (DII's) sold shares to the tune of Rs 688.65 crore on April 9th
- ▲ In April 2019 FIIs net bought shares worth Rs 2515.33 crore, while DII's were net sellers to the tune of Rs. 1983.22 crore

Outlook

- ▲ Indian rupee is unable to hold on to any gains post RBI meet which lowered growth forecasts in anticipation that lower inflation will create rural distress. IMF also lowered Indian growth forecast for the year 2019 and 2020. 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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