

---

UK Parliament again rejects May's Brexit deal

Gold rebound after UK parliament rejects Brexit deal

API reported a small crude oil inventory draw of 998,000 barrels for the week ending February 8

Oil prices remain firm after API inventory report and OPEC+ production cut

Indian rupee remains firm near 69.70 on the back of strong equities and sustainable FII's inflow in Mar'19

Copper remains firm as Brexit deal fails to pass UK vote, eyes on inventories and China demand

Restocking demand from traders pushing china steel Rebar prices higher

---

---

## UK PARLIAMENT AGAIN REJECTS MAY'S BREXIT DEAL

---

- ▲ UK parliament rejected Brexit deal again in the second meaningful vote since January, increasing uncertainty about how the country will leave the European Union.
- ▲ Several European leaders have tweeted their disappointment at parliament's decision to reject Theresa May's Brexit plan, even after additional assurances from the EU.

### What Next?

- ▲ The UK is scheduled to leave the European Union on March 29. As lawmakers rejected "no deal," the Prime Minister then faces a possible defeat on a second vote on Wednesday to prevent a no-deal Brexit on March 29, and a third vote on Thursday to extend the Article 50 divorce process, likely until the end of June.

---

## GOLD REBOUND AFTER UK PARLIAMENT REJECTS BREXIT DEAL

---

- ▲ Gold trading firm supported by a minor weakness in the dollar after disappointment in Brexit deal, negotiations between the European Union and Britain are still not clear unless UK passes the deal. Meanwhile rallying equities capped bullion's gains.
- ▲ SPDR Gold Trust holding rose 0.4 percent to 769.53 tonnes on Monday.
- ▲ CFTC Data- In the week ended March 5, hedge funds cut their gold net-long positions by 54 per cent to 47,872.
- ▲ Fed meeting on 19-20 March - Fed Chairman Jerome Powell emphasized he would be closely monitoring how a slowing global economy affects conditions in the United States in order to decide the future of its interest rate trajectory.

### Outlook

- ▲ Comex gold may face critical resistance near 1305, further up move could be seen only on a sustained break above this level. Counter is receiving support after poor US jobs data and ongoing Brexit talks along with geopolitical tension such as Venezuela and south East Asian countries of India and Pakistan. Immediate support level can be seen around 1275-1266 while important resistance is seen near 1305-1335.

---

## API REPORTED A SMALL CRUDE OIL INVENTORY DRAW OF 998,000 BARRELS FOR THE WEEK ENDING FEBRUARY 8

---

- ▲ The American Petroleum Institute (API) reported a small crude oil inventory draw of 998,000 barrels against market expectations of a build of 2.300 million barrels for the week ending February 8.
- ▲ Last week, the API reported a surprise crude build of 2.514 million barrels. A day later, the EIA confirmed the inventory build, but a smaller one of 1.3 million barrels.
- ▲ The API this week reported a build in gasoline inventories by 746000 barrels against market expectation of 508000 for week ending February 8.
- ▲ Distillate inventories decreased this week by 2.481 million barrels against market expectation of 1.090 million barrels.

---

## OIL PRICES REMAIN FIRM AFTER API INVENTORY REPORT AND OPEC+ PRODUCTION CUT

---

- ▲ Brent oil remained firm following API inventory report and OPEC+ production cut measures. Crude oil may remain firm in short term following supply cuts from producer cartel OPEC and U.S. sanctions against Iran and Venezuela.
- ▲ Saudi oil minister Khalid al-Falih said on Sunday it would be too early to change OPEC+ output policy at the group's meeting in April, China and the U.S. would lead healthy global demand for oil this year.
- ▲ Inventory report–DOE will release its weekly report on Wednesday.

### Outlook

- ▲ Brent oil will continue its bullish spree following as OPEC+ production cut measures and US-China trade deal could further support oil prices in the short term. Immediate recovery can be seen towards the next level of resistance around \$67.80 per barrel and \$70.80. Meanwhile increasing US production levels and crude oil inventories may keep rally limited. Important support is seen around \$64.10 per barrel and \$62.80.

---

## INDIAN RUPEE REMAINS FIRM NEAR 69.70 ON THE BACK OF STRONG EQUITIES AND SUSTAINABLE FII'S INFLOW IN MAR'19

---

- ▲ The Indian rupee advanced against the US dollar following a strong rally in domestic equities. Indian equities rallied on hopes that the incumbent NDA government will get the second term, after various pre poll surveys. The robust foreign fund inflows also helped the rupee trade higher.
- ▲ Brent Oil prices remains firms near \$66.80 per barrel as Saudis trim exports and US output forecast is reduced.

### FII and DII Data

- ▲ Foreign funds (FII's) bought shares worth Rs. 2477.72 crore, while Domestic Institutional Investors (DII's) sold shares to the tune of Rs 990.48 crore on 12th March
- ▲ In March 2019 FIIs net bought shares worth Rs 10602.31 crore, while DII's were net sellers to the tune of Rs.4522.73 crore

### Outlook

- ▲ Current weakness in dollar may continue further and rupee might strengthen as FII inflow continues in Mar'19 as well. The USD-INR pair may find support around 69.80, in case USD-INR pair breaks support level of 69.80 we may witness fresh decline towards 69.30. Meanwhile, key resistance level is placed at 70.90; else it may remain in the 70.90-60.30 range. FII inflow could continue to support Indian rupee however any increase in crude prices from current levels may limit Rupee strength.

---

## COPPER REMAINS FIRM AS BREXIT DEAL FAILS TO PASS UK VOTE, EYES ON INVENTORIES AND CHINA DEMAND

---

- ▲ Failure of UK to pass vote on Brexit deal to leave the EU triggered gains across global stocks and pushed GBP higher against dollar. The US dollar weakened helping boost metals by making them cheaper for buyers holding other currencies.
- ▲ Demand from china is improving for copper as import premiums have risen to \$56.50 from a near two-year low of \$52.50 last week

- ▲ Speculative investors cut bets with the net long in LME copper falling to 3.4 percent of open contracts by the end of last week from 13.5 percent at the start of March
- ▲ CHINA VAT: China's metal traders are betting that recently announced manufacturing tax cuts will start in May and are placing trades that pay off as prices diverge between the Aprils and May contracts. (Source:Reuters)
- ▲ Inventory report- LME Copper warehouse stock decreased by -5875 mt in last five days to 112725mt, with net change of -58% in last six month. Comex Copper warehouse stock decreased by -3706 mt in last five days to 51631mt, with net change of -73% in last six month. SHFE Copper warehouse stock remained at 236169mt, with net change of 72% in last six months

## Outlook

- ▲ Decreasing mine production and drying up inventories are keeping copper prices higher. Optimism over US-China trade talks could support copper prices further. Copper may find minor support around 6285, short-term trend remains positive above this level. Meanwhile, immediate resistance is seen near 6544-6702

---

## RESTOCKING DEMAND FROM TRADERS PUSHING CHINA STEEL REBAR PRICES HIGHER

---

- ▲ China's steel rebar prices remained firm mainly supported by expectations that many construction activities in the country will resume, traders are restocking rebar and other steel product.
- ▲ Iron ore's prices are also firm following news of Brazil's Rio de Janeiro state, which has fined Vale and closed its Ilha da Guaiba port terminal for the second time this year. Around 40 million tonnes of iron ore go through Vale's Ilha da Guaiba terminal yearly. The terminal was ordered to be closed on Monday due to pollution problems and the alleged lack of an operating license.
- ▲ Steel demand may pickup once China reduces VAT from 16% to 13% on manufacturing and other industries.
- ▲ According to local media, China's steel and iron industry will embrace a bullish outlook from urbanization and downstream demand after Vat cut. In a retrospective effect, the logistics expenditure will fall that will also strengthen the competitiveness of China's steel exports.
- ▲ China will invest more on infrastructure construction as it pursues a new type of urbanization and the renovation of shanty towns which may lead to a robust demand of construction steel Rebar.

## Outlook

- ▲ China steel future recovered marginally from recent lows and found strong support near 3720; minor recovery can be seen towards the next level of resistance around 3877-3897 while immediate support is seen around 3782-3753. China's poor economic data may weigh on prices; markets await economic stimulus and any reduction in VAT for construction-related activity which may boost demand, US-China trade talks could provide further direction.

---

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

---

Prepared by:

Mr. Kamlesh Jogi | Market Research Analyst

email: [kamlesh.jogi@abans.co.in](mailto: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](mailto:info@abans.co.in) | Website: [www.abans.co.in](http://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](http://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](mailto:compliance@abans.co.in)

---