
Gold corrected marginally after dollar strengthened on the back of Brexit delay

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

Indian rupee weekend marginally as equity market halted rally, rising crude oil prices may push rupee lower

Copper is trading in a tight range with negative bias post Britain's failure to vote on a deal

GOLD CORRECTED marginally AFTER DOLLAR STRENGTHENED ON THE BACK OF BREXIT DELAY

- ▲ Gold corrects marginally from recent highs as it is widely expected that UK would vote to delay Britain's departure from the EU, currently scheduled for March 29. Dollar gained strength against GBP following a rejection vote on a no-deal Brexit.
- ▲ Fed meeting on March 19-20th- Federal Reserve Chairman Jerome Powell has made it clear that the U.S. central bank is in no rush to adjust borrowing costs. Federal Reserve is expected to sound a dovish tone in its meeting next week.
- ▲ The combination of a dovish U.S. Fed and Britain's failure to pass Brexit deal and how they will exit the EU continue to be highly supportive for the gold prices in short term.

Brexit

- ▲ MPs have rejected leaving the European Union without a deal, just 16 days ahead of the scheduled break from Brussels. MPs will vote on whether Parliament wants to seek an extension to Article 50 – delaying the UK's departure beyond the current March 29 deadline – on Thursday.
- ▲ To secure an extension to Article 50, UK prime minister would need the support of the 27 other EU states. EU is likely to agree to an extension as long as there is a prospect of a deal being reached – or a referendum or general election which could change the political landscape.

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 tensions 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.

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

- ▲ Brent oil remained firm following EIA & 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
- ▲ EIA and API reported decline in crude oil inventory in last week. The Energy Information Administration reported a crude oil inventory decline of 3.9 million barrels against market expectations of a build of 7.1 million barrels for the week to March 8, totaling 449.10 million barrels, which is higher than average of this time of year
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- ▲ 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
- ▲ Venezuela- Power failure in Venezuela may cost nearly 700000 barrels per day of oil production; Venezuela's worst blackout on record has left most of the country without power for six days

Outlook

- ▲ Brent oil is likely to continue its bullish trend as OPEC+ production cut 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 WEEKEND MARGINALLY AS EQUITY MARKET HALTED RALLY, RISING CRUDE OIL PRICES MAY PUSH RUPEE LOWER

- ▲ The Indian rupee weakened against the US dollar following as Crude oil prices rallied after inventory decline and Equity market halted its bullish spree. Continuity of foreign fund inflows may help the rupee in future.
- ▲ Brent Oil prices remains firms near \$67.80 per barrel following US crude inventory report and update on OPEC+ production cut measures

FII and DII Data

- ▲ Foreign funds (FII's) bought shares worth Rs. 2722.28 crore, while Domestic Institutional Investors (DII's) sold shares to the tune of Rs 1508.14 crore on 13th March
- ▲ In March 2019 FIIs net bought shares worth Rs 13324.59 crore, while DII's were net sellers to the tune of Rs.6030.87 crore

Outlook

- ▲ Current weakness in dollar may continue further and rupee might strengthen as FII inflow continues in Mar'19 as well. 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 70.90-69.30 range. FII inflow could continue to support Indian rupee however any increase in crude prices from current levels may limit Rupee strength.

COPPER IS TRADING IN A TIGHT RANGE WITH NEGATIVE BIAS POST BRITAIN'S FAILURE TO VOTE ON A DEAL, FOCUS ON US-CHINA TRADE DEAL

- ▲ US-China trade deal- U.S. President Trump said that he is in no rush to complete a trade pact with China , intellectual property, a major sticking point between the two sides.
- ▲ China industrial output- China's industrial output grew 5.3% against market expectation on 5.5% in the first two months of this year, the slowest pace of expansion in 17 years.
- ▲ 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 due to prices divergence between the Aprils and May contracts. (Source: Reuters)
- ▲ Inventory report- LME Copper warehouse stock decreased nearly 58% in last six month. Comex Copper warehouse stock decreased by 73% in last six month. While SHFE Copper warehouse stock increased 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

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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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