
Indian rupee regained strength after weakness in dollar and consistent FII's flow
Gold corrected further after dollar strengthened on the back of Brexit delay
Oil prices remain firm near \$67 per barrel, inventory report and OPEC+ production cut in focus
Copper is in the range between 6375-6485 from last one week
China steel rebar's prices drop mills allowed to resume sintering operations

INDIAN RUPEE REGAINED STRENGTH AFTER WEAKNESS IN DOLLAR AND CONSISTENT FII'S FLOW

- ▲ The Indian rupee strength against the US dollar following FII's flow and rally into equities
- ▲ Brent Oil prices remain firms near \$67 per barrel following US crude inventory report and update on OPEC+ production cut measures. Rising oil prices are a risk to strength into domestic currency

FII and DII Data

- ▲ Foreign funds (FII's) bought shares worth Rs. 1482.99 crore, while Domestic Institutional Investors (DII's) sold shares to the tune of Rs 817.77 crore on 14th March
- ▲ In March 2019 FIIs net bought shares worth Rs 14807.58 crore, while DIIs were net sellers to the tune of Rs.6848.64 crore

Outlook

- ▲ The current weakness in the dollar may continue further and rupee might strengthen as FII inflow continues in Mar'19 as well. USD-INR pair may find support around 68.80, in case USD-INR pair breaks support level of 68.80 we may witness a fresh decline towards 68.30. Meanwhile, the key resistance level is placed at 69.90; else it may remain in the 69.90-68.30 range. FII inflow could continue to support Indian rupee however any increase in crude prices from current levels may limit Rupee strength.

GOLD CORRECTED FURTHER AFTER DOLLAR STRENGTHENED AND EQUITY MARKETS RALLIED ON THE BACK OF BREXIT DELAY, FOCUS SHIFTS TOWARDS FED MEETING SCHEDULED FOR NEXT WEEK

- ▲ Gold corrects further from recent highs as UK voted to delay Britain's departure from the EU, currently scheduled for March 29. The dollar gained strength against GBP following a delayed exit of Britain from the EU
- ▲ Brexit- UK lawmakers have voted in favor of delaying the Brexit process and also rejected the second referendum. Prime Minister Theresa May will now ask European leaders to grant an extension to Article 50. 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
- ▲ 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 gold prices in the short term

Outlook

- ▲ Comex gold may face critical resistance near 1305, further up move could be seen only on a sustained break above this level. The 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, the focus is shifting towards fed meeting next week. Immediate support level can be seen around 1275-1266 while important resistance is seen near 1305-1335.

OIL PRICES REMAIN FIRM NEAR \$67 PER BARREL, INVENTORY REPORT AND OPEC+ PRODUCTION CUT IN FOCUS

- ▲ Crude oil continues to gain support from ongoing production cuts from the OPEC+ group of producers as well as another production slump from a blacked-out Venezuela although rally has been capped by concerns that an economic slowdown will soon start denting growth in fuel demand
- ▲ China oil demand - In February, China imported 10.23 million bpd, up 21.6 percent on the year. In January, imports stood at 10.03 million bpd, up 4.8 percent on the year
- ▲ Brent oil firm following EIA & API inventory report and OPEC+ production cut measures

- ▲ 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
- ▲ EIA and API reported a decline in crude oil inventory in last week
- ▲ 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

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

COPPER IS IN THE RANGE BETWEEN 6375-6485 FROM LAST ONE WEEK, FOCUS ON BREXIT, US-CHINA TRADE TALK AND CHINA VAT

- ▲ 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
- ▲ Brexit - UK lawmakers voted in favor of delaying the Brexit process and also rejected the second referendum. Prime Minister Theresa May will now ask European leaders to grant an extension
- ▲ China industrial output- China's industrial output grew 5.3% against market expectations of 5.5% in the first two months of this year, the slowest pace of expansion in 17 years
- ▲ China VAT- China will cut value-added tax (VAT) for manufacturing and other sectors on April 1st and social security fees from May 1st. VAT for the manufacturing sector will be cut by 3 percentage points to 13 %. On transport and construction will also be cut from 10% to 9%. Reduction in VAT may revive the economy and is projected to increase industrial metals demand

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

CHINA STEEL REBAR'S PRICES DROP MILLS ALLOWED TO RESUME SINTERING OPERATIONS

- ▲ Iron ore prices in China rose on after some steel mills were reportedly allowed to resume sintering operations. This may increase demand for iron ore and will increase steel production, turn out to be positive for iron prices and negative for steel prices
- ▲ Steel demand may pick up once China reduces VAT from 16% to 13% on manufacturing from April 1. 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 in infrastructure construction as it pursues a new type of urbanization and the renovation of shanty towns which may lead to robust demand for 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

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
