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Copper remain firm as Rio Tinto group to delay mine expansion in Mongolia

The US retails sales data may provide further direction to gold prices later today

Oil prices are down due to poor demand outlook after China GDP data and ease of supply in the US Gulf

China Steel prices dropped marginally on poor demand outlook after weak GDP number

Rupee to trade in the range of 68.20-68.90, India's Import and Export both dropped in June

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## COPPER REMAIN FIRM AS RIO TINTO GROUP TO DELAY MINE EXPANSION IN MONGOLIA

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- ▲ Copper remained firm after Rio Tinto Group flagged long delays to the expansion of a mine viewed as a crucial untapped source of the metal. Rio said the underground facility at Oyu Tolgoi in Mongolia will take as much as 30 months longer than expected to get into production
- ▲ Peru government calls for dialogue amid a strike against Southern Copper's Tia Maria project
- ▲ China's economy showed some signs of stabilization but still, clear policy measures need to support the economy. A pick-up in Chinese infrastructure spending could take a few months to revive demand.

### Outlook

- ▲ Copper prices may remain firm on better than expected retail sales and industrial production numbers. Economic stimulus will further add to expand demand. Copper may find minor support near 5900 while immediate resistance is seen near 6078-6191

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## THE US RETAILS SALES DATA MAY PROVIDE FURTHER DIRECTION TO GOLD PRICES LATER TODAY

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- ▲ Gold is holding a tight range of 1409-1419 ahead of U.S. retail sales to be released today. A positive economic data and potential commentary on monetary policy from Federal Reserve officials will give direction to gold prices this week.
- ▲ China showed signs of stabilization in emerging economies after GDP and Industrial production data release. Eyes are on Fed to lower interest rates at its July 30-31 meeting, at the same time focus is on how deep they will cut and what they will do afterward.
- ▲ The most troubled nation after US sanctions on it, Venezuela sold about \$40 million worth of gold last week.
- ▲ According to the CFTC Commitments of Traders report, Net-long positions of gold shrank last week. Net-long positions for gold futures declined by -14,183 contracts to 244,763. This is the first decline in 6 weeks as traders took profit from a recent gold price rally.

### Outlook

- ▲ Gold outlook turned positive after Fed minutes and testimony of Fed chairman Jerome Powell with anticipation that Federal Reserve may cut interest rate; eyes are on economic data this week. Gold also found support from renewed trade tension between the US and China. Gold future at CME may face critical resistance around \$1428- \$1440 while immediate support can be seen near \$1400-1388.

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## OIL PRICES ARE DOWN DUE TO POOR DEMAND OUTLOOK AFTER CHINA GDP DATA AND EASE OF SUPPLY IN THE US GULF

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- ▲ Oil prices are looking weak as more production facilities are operating in the U.S. Gulf and resumed production nearly 74% after Hurricane Barry.
- ▲ Oil prices were also trading negative on poor demand outlook after weak Chinese economic data. China posted its slowest quarterly economic growth in at least 27 years. Poor economic condition will reinforce concerns about demand in the world's largest crude oil importer.
- ▲ According to the CFTC Commitments of Traders report for the week ending on July 9, net long positions for crude oil futures fell -2,661 contracts to 390,149 for the week. Speculative long positions dropped -7,484 contracts and short positions were down -4,823 contracts.
- ▲ The US oil and gas rig count fell by 5 this week, according to Baker Hughes report. The total number of active oil rigs in the United States fell by 4 according to the report, reaching 784. The number of active gas rigs decreased by 2 to reach 172.

## Outlook

- ▲ Oil prices remained weak after poor china GDP and production resumption in the Gulf of Mexico. Global oil demand may drop as trade war continues to affect major economies. Although OPEC production cut and any supply dent in the US may keep the oil market under check. Brent oil futures may face immediate resistance around \$67.90- 69.20 per barrel while the key support level is seen around \$65.70 to \$61.90 per barrel.

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## CHINA STEEL PRICES DROPPED marginally ON POOR DEMAND OUTLOOK AFTER WEAK GDP NUMBER

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- ▲ China Steel prices dropped marginally on poor demand outlook after weak GDP number which reported to be weakest annual pace since early 1992.
- ▲ Steel prices may receive some support as China will continue to enforce production restrictions in heavy industry in winter this year and will tighten its emission assessment on steel mills when granting exemptions from curbs.
- ▲ Tangshan and Wu'an steelmaking province of Hebei are bound to curb production to prevent pollution. Wu'an imposed output restrictions on 14 steelmakers as part of environmental policies from July 1 to Aug.31.

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## RUPEE TO TRADE IN THE RANGE OF 68.20-68.90, INDIA'S IMPORT AND EXPORT BOTH DROPPED IN JUNE

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- ▲ India's Imports declined 9% to \$40.29 billion in June, due to falling prices of petroleum products. India's trade deficit remained at \$15.28 billion in June'19 against \$16.6 billion in June'18. Although export entered no negative zone and dropped to 25.01 billion with a record drop of 9.71%.

## FII and DII Data

- ▲ Foreign Funds (FII's) sold shares worth Rs.216 Crore, while Domestic Institutional Investors (DII's) bought shares to the tune of Rs.591 crore on July 15th.
- ▲ In July'19, FII's net sold shares worth Rs. 3658 crores, while DII's were net buyers to the tune of Rs. 4662 crores.

## Outlook

- ▲ Indian rupee may trade in a wide range of 68.90-68.20, although rising crude oil prices and strength in the dollar may keep the rupee under pressure. FIIs outflow continued to grow in July to Rs.3658 crore following a trend from consecutively last two months while domestic institutional investors remained supportive.

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