
Gold corrects marginally from two week high, Federal Reserve meeting today
Aluminium at 3month high on supply concerns at Norsk Hydro smelters
Copper remains firm near 6450 on China tax cut and growth hope
Oil prices drop marginally as uncertainty on the China-U.S. trade talks increased
Indian rupee fell from 7 months high after Equities halts rally and crude remains firm

GOLD CORRECTS MARGINALLY FROM TWO WEEK HIGH, FEDERAL RESERVE MEETING TODAY

- ▲ Gold corrects marginally ahead of fed meeting today, U.S. Federal Reserve is expected to maintain a dovish tone at its policy meeting. Although rally into equities and strength in dollar index is keeping gold under check. Fed's decision and Brexit vote could boost gold in the short term
- ▲ Brexit- British PM Theresa May will ask the EU to delay Brexit as UK is planning to hold a third vote on her exit deal
- ▲ Holdings of the SPDR Gold Trust rose about 1.1 percent on Monday, its biggest one-day percentage gains since Jan. 18
- ▲ Sanctions on Venezuela's state-run gold mining- The US imposed Venezuela's state-run gold mining company Minerven, accusing of illicit operations and propping up the government of President Nicolas Maduro

Outlook

- ▲ Comex gold may remain firm above critical resistance of 1305; further up move could be seen on a sustained break above this level towards 1335. 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, focus is shifting towards two day Fed meeting starting today

ALUMINIUM AT 3MONTH HIGH ON SUPPLY CONCERNS AT NORSK HYDRO SMELTERS

- ▲ The aluminium price higher on the LME over supply concerns after Norsk Hydro shut down several smelters following a cyber-attack yesterday. The company was forced to change to manual mode as the ransom ware attack crippled its systems
- ▲ LME Aluminium inventories: Aluminium on warrant inventories jumped by 17% to 761,425 tonnes.
- ▲ Focus on Fed meeting: All Base metals remained firm ahead of Fed meeting, investors betting on a dovish statement from the US central bank today

Outlook

- ▲ LME Aluminium 3 M expiry contract have given fresh breakout on chart near 1920, focus is on smelting shut down by Norsk Hydro and also drop in inventories at LME and SHFE. Immediate resistance is seen near 1994-2061-2174

COPPER REMAINS FIRM NEAR 6450 ON CHINA TAX CUT AND GROWTH HOPE

- ▲ Shanghai copper premiums rebounded on Tuesday as the Chinese government announcement of a reduction in the value-added tax (VAT) rate from April 1 stimulated buying
- ▲ LME Copper prices remain firm on expectations of seasonally strong Chinese demand in coming quarters and low stocks, while concerns about a global economic slowdown due to trade tensions limit gains
- ▲ April- June quarter is normally the strongest in terms of physical activity in China, LME inventory is low and supply tightness due to low mine supply is keeping prices firm above \$6000 in the short term
- ▲ Trade deal - U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin plan to travel to China next week for another round of trade talks with Chinese Vice Premier Liu He, a Trump administration official said on Tuesday. U.S. officials are concerned that China might refuse to accept U.S. demands and Chinese negotiators want to receive more assurances that tariffs imposed on Chinese goods would be lifted once a deal is finalized
- ▲ US Economy- New orders for U.S.-made goods rose less than expected in January and shipments fell for a fourth straight month, offering further evidence of a slowdown in manufacturing activity
- ▲ Chinese Economy- China's second quarter economic growth could be at a slower pace compared to

the same period last year, but it is expected to pick up from the seasonally slow first three 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

OIL PRICES DROP MARGINALLY AS UNCERTAINTY ON THE CHINA-U.S. TRADE TALKS INCREASED

- ▲ Trade talk- U.S. officials are concerned that China might refuse to accept U.S. demands and Chinese negotiators want to receive more assurances that tariffs imposed on Chinese goods would be lifted once a deal is finalized
- ▲ API inventory - The American Petroleum Institute reported a surprise drop in crude oil inventory of 2.133 million barrels against market expectation of a build of 309000 barrels for the week ending March 15. Distillate inventories decreased by 1.607 million barrels, Crude oil inventories at the Cushing, Oklahoma facility fell by 317,000 barrels for the week and gasoline inventory also dropped by 2.794 million barrel. DOE will release weekly inventory report today
- ▲ OPEC+ member including Russia and other major oil producers canceled a meeting planned for April, leaving the alliance's price-boosting production cuts in place until at least June. OPEC+ meeting canceled for April because it expects the oil market to remain oversupplied through the first half of the year. OPEC is also observing how U.S. sanctions on Iran and Venezuela will affect the oil market in the coming months

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 FELL FROM 7 MONTHS HIGH AFTER EQUITIES HALTS RALLY AND CRUDE REMAINS FIRM

- ▲ The rupee fell from 7 months high against the US dollar after crude price rose to a four-month high in global market which will result in increased demand for the dollars from importers. The recovery in crude oil prices is a reason for worry in the short term
- ▲ Brent Oil prices remain firms above \$67 per barrel following US Crude oil inventory report and OPEC+ production cut measures which may continue till June OPEC meeting

FII and DII Data

- ▲ Foreign funds (FII's) bought shares worth Rs. 2132.36 crore, while Domestic Institutional Investors (DII's) sold shares to the tune of Rs 1253.67 crore on 19th March
- ▲ In March 2019 FIIs net bought shares worth Rs 23.86.42 crore, while DII's were net sellers to the tune of Rs.11501.58 crore

Outlook

- ▲ The current weakness in the dollar may continue further and rupee might strengthen as FII inflows continue in Mar'19 as well. USD-INR pair has broken key support around 68.80; we may witness a fresh decline towards 68.30-67.80. Meanwhile, key resistance level is placed at 69.10; else it may remain in the 69.10-67.80 range in the short term. FII inflow could continue to support Indian rupee however any increase in crude prices from current levels may limit Rupee strength

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