
Gold corrects post recovery in US dollar over unemployment claims data
Copper remains firm near 6430, strong US jobs data improved sentiment after fed boost
Oil prices at four month high, OPEC oil production cut and sanctions on Iran and Venezuela in focus
Indian rupee declined from multi month highs after Equities took a pause and crude remains firm

GOLD CORRECTS POST RECOVERY IN US DOLLAR OVER UNEMPLOYMENT CLAIMS DATA

- ▲ Gold prices corrects from three-week highs on better than expected U.S data. Dollar index gained over this news and pushed gold prices down. Initial claims for state unemployment benefits dropped to 221,000 for the week ended March 16, jobless claims fell more than expected last week.
- ▲ Fed meeting- The Fed kept its key short-term rate at a range of 2.25 percent to 2.50 percent and Chairman Jerome Powell mentioned that US economy is in good shape; with modest slowdown overall economic conditions remain favorable and no need to increase interest rates.
- ▲ Brexit- EU has agreed to delay Brexit process and throws one last lifeline to UK. Under the EU's plan, if the House of Commons pass the exit deal, Britain will leave the EU on May 22.
- ▲ 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. Geopolitical issues will keep supporting gold prices in the short term.

COPPER REMAINS FIRM NEAR 6430, STRONG US JOBS DATA IMPROVED SENTIMENT AFTER FED BOOST

- ▲ Base metals on the London Metal Exchange were firm on Friday after solid U.S. data, sentiments improved for global economy, although a strong U.S. dollar put some downward pressure on prices.
- ▲ Copper stocks on the LME remain close to a decade-low.
- ▲ 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 – President Donald Trump to keep tariffs on China until US is sure of Beijing to comply with trade deal. Beijing has pushed the Trump administration to remove tariffs as part of any deal but later Chinese officials have shifted their stance because after they haven't received assurances from the Trump administration.

Outlook

- ▲ Decreasing mine production and drying up inventories are keeping copper prices higher. 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 AT FOUR MONTH HIGH, OPEC OIL PRODUCTION CUT AND SANCTIONS ON IRAN AND VENEZUELA IN FOCUS

- ▲ Oil remains firm near 2019 highs, supported by a sharp tightening of global stocks, OPEC production cuts and U.S. sanctions on key producers Iran and Venezuela.
- ▲ Inventories- U.S. crude oil inventories fell at their fastest rate since July 2018 last week. US Crude oil inventories declined by 9.59 million barrels in the week to March 15, adding to a drop of 3.86 million barrels in the previous week.

- ▲ 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.
- ▲ OPEC+ members 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 DECLINED FROM MULTI MONTH HIGHS AFTER EQUITIES TOOK A PAUSE AND CRUDE REMAINS FIRM

- ▲ The rupee fell against dollar from multi months after Dollar index recovered on positive US jobs data and crude price rose to a four-month high in global markets. Higher oil prices will result in increased demand for dollars from importers. The recovery in crude oil prices is a reason for worry in the short term.
- ▲ Oil held near multi week highs supported by tightening U.S. Inventory and declining oil output from OPEC and U.S. sanctions on Iran and Venezuela.
- ▲ FII and DII Data
- ▲ Foreign funds (FII's) bought shares worth Rs. 1771.61 crore, while Domestic Institutional Investors (DII's) sold shares to the tune of Rs 1323.17 crore on 20th March.
- ▲ In March 2019 FIIs net bought shares worth Rs 24858.03 crore, while DII's were net sellers to the tune of Rs.12824.75 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 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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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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