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Second wave of Covid-19 is likely to keep oil demand lower  
Gold prices trading lower following strength in the Dollar index  
Copper prices fell following strength in the Dollar

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## SECOND WAVE OF COVID-19 IS LIKELY TO KEEP OIL DEMAND LOWER

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- ▲ Oil prices fell, as a jump in COVID-19 infections in the US and Europe, have raised alarms over crude demand. France's new covid cases hit a record of more than 50,000 cases, and the US also reported its highest number of coronavirus cases in the last two days.
- ▲ Meanwhile, crude oil prices were also under pressure, following an increase in oil supplies from Libya. The National Oil Corp. of Libya on Friday ended its force majeure on exports from two key ports. Its production would reach 1 million barrels per day (bpd) in four weeks. Russia is also set to increase output by 2 million bpd in January 2021, after cutting production by a record amount earlier this year. Russian President, Vladimir Putin, has indicated last week, that he may agree to extend OPEC+ oil production reductions.
- ▲ Baker Hughes has reported a fifth-straight weekly rise in the U.S. oil rig count. US energy companies increased their rig count by five, to take the total to 287, in the week up to October 23<sup>rd</sup>.
- ▲ According to the CFTC Commitments of Traders report for the week ended October 20, net long positions for crude oil futures jumped +17,551 contracts to 4,90,348, for the week. Speculative long positions rose by +14,764 contracts, while shorts dropped by -2,787 contracts.
- ▲ On the economic data front, the Eurozone October Markit Manufacturing PMI unexpectedly rose +0.7, to a 2-year high of 54.4, stronger than expectations of -0.7, to 53.0. Also, the Japanese October Jibun Bank Manufacturing PMI rose +0.3, to a 9-month high of 48.0. Conversely, the U.S. October Markit Manufacturing PMI rose +0.1, to 53.3, weaker than expectations of +0.3, to 53.5, but still the fastest pace of expansion in 1-3/4 years.

### Outlook

- ▲ WTI crude oil prices are likely to find stiff resistance near \$42.50 and \$43.30 levels, while key support levels are found near \$38.45 and \$37.90.

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## GOLD PRICES TRADING LOWER FOLLOWING STRENGTH IN THE DOLLAR INDEX

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- ▲ Gold prices are trading negative, as coronavirus concerns have increased the risk sentiment. The dollar is finding support from the safe-haven demand.
- ▲ Slow pace of U.S. pandemic stimulus talks have also kept gold prices under pressure. On Friday, White House Economic Advisor, Kudlow, has said that "the ball's not moving much right now" on talks for another round of pandemic stimulus.
- ▲ According to the CFTC Commitments of Traders report for the week ended October 20, Gold futures' net long positions soared +8,933 contracts to 2,49,604. Speculative long positions increased by +13,220 contracts, while speculative net short positions also increased by +4,287 contracts.

## Outlook

- ▲ Gold prices are likely to find support near the 100-days EMA at 1,882. Meanwhile, key resistance is seen around \$1,949-\$1,973 levels. The trend in Gold is likely to remain negative, following strength in the US Dollar, and failed hopes for a stimulus before the US election.

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## COPPER PRICES FELL FOLLOWING STRENGTH IN THE DOLLAR

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- ▲ Copper prices fell, as rising coronavirus cases around the world have raised concerns over the global economic recovery. Besides, the strength in the US dollar is also keeping the prices of metals under pressure.
- ▲ Copper inventory at LME monitored warehouses dropped by -325 mt, as on October 23<sup>rd</sup>. In the last one month, LME copper inventory has increased by 103,025 mt, which is 57.14% of the total LME-registered stocks at 180,300 mt, on October 23<sup>rd</sup>.
- ▲ Copper will find some support from China's five-year plan to support and boost economy. China's top leaders will chart the country's economic course for the period 2021-2025, at a key meeting starting from today. China will emphasize upon ways to ensure the national security in industries, such as technology, while announcing measures to boost domestic consumption.
- ▲ China's securities regulator on Friday has said that it had approved an international copper futures contract for launch on November 19.

## Outlook

- ▲ LME 3 month contract is likely to find support around the 50-days EMA at 6,684, and the 100-days EMA at \$6,423. Meanwhile, an immediate resistance level could be seen around \$7,208-7,321.

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