

ekarup Research

WEEKLY REPORTS

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EKARUP RESEARCH DEPARTMENT

EKARUP

Coimbatore

8220333324

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BULLIONS WEEKLY UPDATES

GOLD:

NEWS:

old investors won't get much of a break this weekend as the tone at the Group of 20 meeting Saturday could determine the precious metal's short-term price action.

In particular, commodity analysts and economists are warning investors to pay close attention to the much-hyped dinner meeting between President Donald Trump and Chinese President Xi Jinping. For most of the year, the world's two largest economies have been embroiled in an escalating trade war.

However, ahead of the Buenos Aires meeting, tensions appear to be easing between the two nations after President Trump who said that he is close to a trade deal with China, but added that he is not sure he wants to do a deal.

TECHNICAL OUT LOOK:

INTERNATIONAL LEVELS:

GOLD BUY ABOVE 1301 TGT 1307 - 1312 -1318 SL 1294

GOLD SELL BELOW 1292 TGT 1286 -1278 -1272 SL 1299

MCX GOLD LEVELS:

MCX GOLD BUY ABOVE 32480 TGT 32630 -32920 - 40180 SL 32220

MCX GOLD SELL BELOW 32180 TGT 31880 -31640 -31400 SL 32360

SILVER:

NEWS:

Precious metals are mixed this morning with gold prices off by 0.4%, silver prices are unchanged, while the platinum group metals (PGM) are up either side of 0.5%.

Gold prices are stuck sideways, as are silver prices, while the flight in PGM prices of late has halted with some bargain hunting seen. The fact gold prices have not been more bullish, suggests the markets are still reducing risk, but the situation is not so critical to attract safe-haven buying.

Base metals prices on the London Metal Exchange are for the most part stronger this morning, Monday April 9. Zinc is the exception with a 0.6% decline, while the rest are up between 2.8% for aluminium (\$2,113 per tonne) and 0.2% for tin. Copper prices are up by 1.1% at \$6,831 per tonne.

Volume has been extremely high at 24,925 lots – the bulk of that has been seen in aluminium (11,180 lots) where trading has been active in response to the United States' latest sanctions on Russia.

On the Shanghai Futures Exchange this morning, aluminium and copper prices are up by 0.9% and 0.2% respectively, with the latter at 50,480 yuan (\$8,005) per tonne, while the rest of the metals are down by an average of 1%.

TECHNICAL OUT LOOK:

INTERNATIONAL LEVELS:

SILVER SELL BELOW 15.56 TGT 15.30 -15 -14.60 SL 15.80

SILVER BUY ABOVE 15.85 TGT 15.92 -16 -16.10 SL 15.62

MCX SILVER LEVELS:

MCX SILVER BUY ABOVE 39980 TGT -40360 -40700 -41001 SL 39330

MCX SILVER SELL BELOW 39400 TGT 39020 -38680 -38220 SL 39880

BASE METALS WEEKLY UPDATES

COPPER:

NEWS:

Copper on MCX settled down 0.6% at 416.75 amid concerns over slowing economic growth in top industrial metals consumer China. The International Monetary Fund (IMF) cut its world economic growth forecasts for 2019 and 2020, due to weakness in Europe and some emerging markets.

Meanwhile, world leaders and top executives are meeting in Davos, Switzerland, this week to discuss how to steer policy amid worries of slowing economic growth, damaging trade wars and Brexit. China will step up fiscal spending this year to support its economy, focusing on further cuts in taxes and fees for small firms, finance ministry officials said. Mounting pressure on the world's second-biggest economy pushed growth last year to its lowest since 1990 even as Beijing stepped up stimulus measures and spurred banks to lend more. China's December refined [copper](#) output rose by 4.5 percent year-on-year to 839,000 tonnes, its highest monthly total in 2018, the National Bureau of Statistics said. Arrivals of China's scrap copper last month rose to 250,000 tonnes, the highest since December 2017, from 220,000 tonnes in November, customs data showed. The global world refined copper market showed a 15,000-tonne deficit in October, compared with a 161,000-tonne deficit in September, the International Copper Study Group (ICSG) said in its latest monthly bulletin. The Bank of Japan cut its inflation forecasts and warned of rising risks to the economy from faltering global demand, further pushing back policymakers' years-long efforts to foster durable growth.

TECHNICAL OUT LOOK:

INTERNATIONAL LEVELS:

COPPER BUY ABOVE 272 TGT 276 -282 -288 SL 268

COPPER SELL BELOW 267 TGT 263 - 260 -256 SL 271

MCX COPPER LEVELS:

MCX COPPER BUY ABOVE 430 TGT 435.3 - 442 -449 SL 423.6

MCX COPPER SELL BELOW 421.6 TGT 416.8 -410 - 403 SL 427.8

LEAD:

NEWS:

Closing above \$6,000 per tonne for the first time this year, copper's three-month price appreciated by 2.2% over the afternoon and total volumes traded topped the complex with 20,400 lots changing hands. Similarly, after more than 272,000 tonnes of aluminium stock was booked for removal (mostly from Malaysian locations) this week, the metal's three-month price is now trading just above \$1,900 per tonne, after consolidating below that mark earlier in the week. Lead was the third metal to break past its nearby support level over the afternoon, trading above \$2,100 per tonne and reaching its highest level since October 16, 2018. Following the upward trend, zinc's three-month price is also trending higher and is taking a significant step towards \$2,700 per tonne. "Although market participants seem inclined to build short positions in copper...

TECHNICAL OUT LOOK:

MCX LEAD LEVELS:

MCX LEAD BUY ABOVE 151.6 TGT 154.6 -159.2 -162.4 SL 147.3

MCX LEAD SELL BELOW 146.6 TGT 141.4-138.8-136.8 SL 149.8

ZINC

NEWS:

Zinc prices were marginally higher by 0.16 per cent to Rs 188.95 per kg in futures trade Friday after participants enlarged their bets amid increased demand at domestic spot markets.

At the Multi Commodity Exchange, zinc for delivery in February rose by 30 paise, or 0.16 per cent, to Rs 188.95 per kg in a business turnover of 68 lots.

Also, the metal to be delivered in January gained 20 paise, or 0.11 per cent, to trade at Rs 188.10 per kg in a business turnover of 381 lots. Market analysts said a firming trend in base metals at the London Metal Exchange (LME) and pick up in domestic demand led to the rise in zinc prices at futures trade here.

TECHNICAL OUT LOOK:

MCX ZINC LEVELS:

MCX ZINC BUY ABOVE 193.6 TGT 196.6 -200 -203 SL 190

MCX ZINC SELL BELOW 188.6 TGT 185.6 - 180.6 -177.8 SL 192.3

ALUMINIUM

NEWS:

Aluminium prices were marginally higher by 0.34 per cent to Rs 148.30 per kg in futures trade Tuesday as speculators created fresh positions amid improved demand in the spot market amid positive global cues.

At the Multi Commodity Exchange, [aluminium](#) for delivery in current month inched up by 50 paise, or 0.34 per cent to Rs 148.30 per kg in business turnover of 124 lots.

Analysts said fresh positions built up by participants following pick up in demand from consuming industries in the physical market and metal's gain overseas, mainly influenced aluminium prices at futures trade.

TECHNICAL OUT LOOK:

MCX ALUMINIUM LEVELS:

ALUMINIUM BUY ABOVE 136.30 TGT 139.6 -142.4 -145.6 SL 133.20

ALUMINIUM SELL BELOW 133 TGT 131.8 - 128.8 -126.6 SL 135.6

NICKEL

NEWS:

Nickel prices rose by 0.21 per cent to Rs 894 per kg in futures trade Thursday after participants enlarged their portfolios amid increased demand at the spot markets and positive global cues.

In futures trading at the Multi Commodity Exchange, nickel for delivery in [October](#) contracts was up Rs 1.90, or 0.21 per cent, to Rs 894 per kg in a business turnover of 14,289 lots. Market analysts said raising of bets by traders backed by strong demand from alloy-makers at the domestic spot markets and a firm trend overseas, supported the upside in nickel prices at futures trade here.

TECHNICAL OUT LOOK:

MCX NICKEL LEVELS:

MCX NICKEL BUY ABOVE 852 TGT 862 -888 -895 -903 SL 836

MCX NICKEL SELL BELOW 832 TGT 821 -810 -798 SL 848

ENERGIES WEEKLY UPDATES

CRUDE OIL

NEWS

Baker Hughes reported a 1-rig increase for oil and gas in the United States this week, bringing the total number of active oil and gas drilling rigs to 1,068 according to the report, with the number of active oil rigs increasing by 2 to reach 875 and the number of gas rigs decreasing by 1 to reach 193.

The oil and gas rig count is now 159 up from this time last year.

Crude oil rallied somewhat on Friday, but not enough to erase three weeks of bearish activity in the industry that stripped roughly \$10 off barrel prices. The slight uptick on Friday came as confused markets wrestle with two opposing ideas: the narrative that paints the oil market as having oil supply troubles as the Iranian sanctions loom, and poor equities performance yesterday combined with the narrative that future oil demand may not be as robust as previously thought.

At 12:18pm. EDT on Friday, volatile WTI crude prices were up 0.39% (+\$0.26) at \$67.59. Brent crude was up 0.64% (+\$0.49) at \$77.37 per barrel. While up on the day, WTI is still down almost \$10 per barrel from early October.

Canada's oil and gas rigs for the week increased by 9 rigs this week after losing 4 rigs last week, bringing its total oil and gas rig count to 200, which is 9 rigs more than this time last year, with a 1-rig increase for oil rigs, and an 8-rig increase for gas rigs.

EIA's estimates for US production for the week ending October 19 were for an average of [10.9 million bpd](#) for the second week in a row, off the forever high of 11.2 million bpd for the week of October 5.

By 1:09pm EDT, WTI was trading up 0.40% ([+\\$0.27](#)) at \$67.60. Brent crude was trading up 0.70% ([+\\$0.54](#)) at \$77.42 per barrel.

TECHNICAL OUT LOOK:

INTERNATIONAL LEVELS:

CRUDE OIL BUY ABOVE 54.60 TGT 55.6 -57 -60 SL 52.3

CRUDE OIL SELL BELOW 51.6 TGT 49.3 -47.6 -45 SL 54

MCX CRUDE OIL LEVELS:

MCX CRUDE OIL SELL BELOW 3715 TGT 3630 -3540 - 3418 SL 3810

MCX CRUDE OIL BUY ABOVE 3848 TGT 3918 -4020 -4105 SL 3736

NATURAL GAS

NEWS

Natural gas markets fell during the week, breaking the bottom of a shooting star from a couple of weeks ago, and of course the previous week that had a neutral candle. At this point, we are reentering the previous consolidation area. Natural gas markets have broken below the \$3.20 level on the weekly chart, which was the top of the previous consolidation area. The fact that we have fallen below here, I think that if we break down below the lows of the week that just close, we could continue to go further. One of the biggest concerns that a lot of traders will face is summed up in two words: "El Niño." This is a weather phenomenon that can make for mild winters in the United States, which of course has a massive influence on the demand of natural gas.

The natural gas markets continue to go back and forth overall, and this recent pop above the resistance line could end up being a false breakout. There is a serious danger of this happening. However, if we get a daily close above \$3.22 level, then I think the market reaches towards the \$3.40 level after that. Overall though, low the \$3.15 level, I think we will continue to see a bearish pressure down to the three dollars handle. Below there, the market could go down to the \$2.80 level after that. At this point, I believe that breaking above the \$3.40 level is very unlikely, but if it did happen that would obviously be an extraordinarily bullish sign. At this point, it looks as if natural gas market is trying to reenter the normalcy of the consolidation that spent in effect for ages now.

TECHNICAL OUT LOOK:

MCX NATRURAL GAS LEVELS:

MCX NATURAL GAS SELL BELOW 214.6 TGT 201.2 -192 -180 SL 225.8

MCX NATURAL GAS BUY ABOVE 229.2 TGT 239.2 - 252 -265 SL 218



Branches : Coimbatore | Chennai | Madurai

Support : 99524 - 33369 | Subscription : 82203 - 33324

Web : www.ekarup.com

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