

Friday, 09 November 2018

News, Views & Statistics
Oil falls as rising global supply forces price U-turn

Oil edged lower on Thursday, surrendering early gains, as investors focused on the pace of growth in global crude supply, which is increasing more quickly than many had expected. Chinese data earlier in the day that showed record oil imports in October offered some temporary respite to bearishness that has developed in the past couple of weeks over the expected crude market balance in 2019. Record U.S. crude production and signals from Iraq, Abu Dhabi and Indonesia that output will grow more quickly than expected in 2019 pushed the price of Brent oil to its lowest since mid-August earlier in the week. Brent crude futures fell 21 cents to \$71.86 a barrel by 1249 GMT, having touched a session high of \$73.08, while U.S. crude futures fell 8 cents to \$61.59. "Once again, the U.S. has shown that when it is economic to do so, it can increase production at a greater pace than Saudi Arabia," Olivier Jakob, a strategist at Petromatrix, said. "This means that the price is today a greater solver to the crude oil balance than in the past, when there was no solver apart from the supply policy of Saudi Arabia. Six months from now, the U.S. will be producing more crude oil than the unverified sustainable production capacity of Saudi Arabia. China's crude imports rose 32 percent in October compared with a year earlier to 9.61 million bpd, customs data showed on Thursday. China will still be allowed to import some Iranian crude under a waiver to U.S. sanctions that will enable it to buy 360,000 bpd of crude from Iran for 180 days.

Indonesia Palm Oil exports fall 3% in September

Indonesia's palm oil exports fell by 3% in September to 3.2 million tons from 2.2 million tons in the previous month, the Indonesian Palm Oil Producers Association, Gapki said. "The decreasing price of CPO has failed to attract countries to export more CPO because the prices of other vegetable oils like soybean, rapeseed and sun flower oil have also decreased," Gapki said in a press statement. The price of soybeans had also dropped to its lowest price since 2007, the association said, adding that Brazil, the largest producer of soybeans, had cut its export tax on the commodity, further pushing down the prices of vegetable oil, including CPO. According to Gapki, the situation had sparked an increase of CPO stocks in Indonesia and Malaysia, the first and second largest CPO producing countries, respectively. Throughout September, the export value of CPO and its derivative products, including oleo chemical and biodiesel, remained stagnant at 2.99 million tons, compared to the export figure in August. Meanwhile, the export value from January to September was recorded at 22.95 million tons, 1 percent lower than the export value in the corresponding period in 2017, which was at 23.19 million tons.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	37564	36911	37238	37705	38032	38499	Up
GOLD	31316	31054	31185	31343	31474	31632	Up
CRUDE OIL	4455	4352	4403	4460	4511	4568	Down
COPPER	437.80	430.50	434.10	437.30	441.00	444.20	Down
NATURAL GAS	255.00	250.60	252.80	255.30	257.50	260.00	Reversal
JEERA	21070	20934	21005	21100	21170	21270	Reversal
TURMERIC	6582	6504	6544	6602	6642	6700	Up
SOYBEAN	3410	3394	3402	3416	3424	3438	Reversal
RM SEED	4187	4172	4180	4186	4194	4200	Down
GUAR SEED	4699	4651	4675	4695	4719	4739	Up

International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	\$1224.36	-0.17
LONDON SPOT SILVER	\$14.45	-0.76
NYMEX CRUDE OIL	\$61.75	-0.40
NYMEX NATURAL GAS	\$3.391	-0.53

Economic Data

Data	Previous	Forecast	Time
PPI m/m	0.2%	0.2%	7:00pm

RECOMMENDATIONS

GOLD

GOLD DEC: TRADING RANGE 31140 -31380.

GOLD 1st(MXGLDC1)2018/11/08 - Daily B:31311.00 A:31317.00
O 31350.00 H 31381.00 L 31212.00 C 31317.00 ↑ V 3,496 T 10,915,652 I 10,454 -272 -0.86%
SMA(13) 31925 SMA(13) 31709 SMA(8) 31685



Wait for our intraday trading strategy.

RMSEED

RMSEED DEC: TRADING RANGE 4170 - 4225.



Wait for our intraday trading strategy.

Disclaimer: This document has been prepared by Arihant Capital Markets Limited (hereinafter called as Arihant) and its subsidiaries and associated companies. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. Receipt and review of this document constitutes your agreement not to circulate, redistribute, retransmit or disclose to others the contents, opinions, conclusion, or information contained herein. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this material may not be suitable for all investors. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material. Arihant Capital Markets Ltd (including its affiliates) or its officers, directors, personnel and employees, including persons involved in the preparation or issuance of this material may; (a) from time to time, have positions in, and buy or sell or (b) be engaged in any other transaction and earn brokerage or other compensation in the financial instruments/products discussed herein or act as advisor or lender/borrower in respect of such securities/financial instruments/products or have other potential conflict of interest with respect to any recommendation and related information and opinions. The said persons may have acted upon and/or in a manner contradictory with the information contained here and may have a position or be otherwise interested in the investment referred to in this document before its publication. The user of this report assumes the entire risk of any use made of this data / Report. Arihant especially states that it has no financial liability, whatsoever, to the users of this Report.

Contact**SMS: 'Arihant' to 56677****Website**www.arihantcapital.com**Email Id**research@arihantcapital.com**ARIHANT Capital Markets Ltd**

Commodity/Currency Research Desk: 6, Lad Colony, Y.N. Road Indore-3
T: 0731-4217191. Fax: 0731-4217103

Corporate Office: 1011, Solitaire Corporate Park, Building No.10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400093
D. +91.22.42254800 and 67114800
www.arihantcapital.com

RCH-CMB-