

Tuesday, 13 November 2018

**News, Views & Statistics**
**Oil gains after Saudi paves the way for an output cut**

Oil rose by more than 1 percent on Monday, set for its largest one-day increase in a month after Saudi Arabia said OPEC and its partners believed demand was softening enough to warrant an output cut of 1 million barrels per day. Saudi Arabia, the world's largest oil exporter, said on Sunday it would cut its shipments by half a million barrels per day in December due to seasonal lower demand. Brent crude futures (LCOc1) rose 80 cents on the day to \$70.98 a barrel by 1205 GMT, while U.S. crude futures rose 36 cents to \$60.69 a barrel. Saudi Energy Minister Khalid al-Falih said on Monday OPEC and its partners agree that technical analysis shows a need to cut oil supply next year by around 1 million bpd from October levels to avoid an unwelcome build-up of unused crude. "The balances for 2019 do show, especially in the first half of the year, that there will be significant global oversupply," Petromatrix analyst Olivier Jakob said. The Organization of the Petroleum Exporting Countries and the International Energy Agency release their respective monthly reports on the outlook for oil supply and demand later this week. "OPEC and the IEA are releasing their updates to the oil market this week and the outlook for 2019 was already on the weak side. I think those reports are going to be even weaker because they will have to adjust for the increase in U.S. production," Jakob said. The oil price has fallen by around 20 percent in the last month, driven lower by a rapid increase in global supply and the threat of a slowdown in demand, especially from those customers, such as India, Indonesia and China, whose currencies have weakened against the dollar and eroded their purchasing power. Production from Saudi Arabia, Russia and the United States alone has risen by 1.05 million bpd in the last three months, based on official output figures.

**Cotton price may dip on high arrival**

Punjab Cotton market witnessed arrival of relatively high quality of Cotton during this season, a total of 2, 45,500 bales (one bales = 170kg) had arrived in Cotton market till November 8 whereas in a total of 2, 35,000 bales had arrived during the corresponding period. Central government's agency, Cotton Corporation of India (CCI), is yet to make any purchases even though the crop is fetching less than minimum support price (MSP). The prevailing rates of raw Cotton are in range of Rs 5250 to Rs 5300 per quintal whereas MSP for the 27.5-28.5mm long staple (grown in Punjab) is Rs 5350 per quintal. The crops fetched less than Rs 5000 per quintal in early October. After four years, Cotton has being sold at rates lower than MSP. During the past four seasons, Cotton had been sold at rates higher than MSP. Experts expect the yield this season to be better than last year at nearly 770kg lint per hectare, up from 750kg per hectare in the 2017-18. Lint is prepared by ginning process of raw Cotton, which is calculated at 1/3rd or 34% of total raw Cotton.

COMMODITY	CLOSE	S2	S1	PIVOT	R1	R2	TREND
SILVER	36722	36415	36569	36853	37007	37291	Down
GOLD	31005	30848	30926	31048	31126	31248	Down
CRUDE OIL	4437	4368	4402	4442	4476	4516	Down
COPPER	432.10	429.30	430.70	433.10	434.50	436.90	Down
NATURAL GAS	275.50	265.60	270.50	277.80	282.70	290.00	Reversal
JEERA	20535	20230	20385	20660	20815	21090	Reversal
TURMERIC	6646	6530	6590	6660	6718	6790	Up
SOYBEAN	3442	3324	3383	3417	3476	3510	Reversal
RM SEED	4160	4103	4132	4155	4184	4207	Down
GUAR SEED	4802	4709	4756	4837	4883	4964	Up

## International Markets

COMMODITY	CLOSE	% CHANGE
LONDON SPOT GOLD	%1202.62	-0.57
LONDON SPOT SILVER	\$14.03	-0.85
NYMEX CRUDE OIL	\$60.93	+1.26
NYMEX NATURAL GAS	\$3.631	+1.77

## Economic Data

Data	Previous	Forecast	Time
No major release	-	-	-

## RECOMMENDATIONS

### NG

**NG NOV: TRADING RANGE 266.00 – 278.00**

NATURALGAS 1811(MXGASX8)2018/11/12 - Daily B:275.00 A:275.10  
O 276.00 H 285.00 L 272.80 C 275.00 ↓ V 80,601 T 28,024,403 I 9,258 +2.4 +0.88%  
SMA(13) 252.59 SMA(13) 243.99 SMA(8) 257.10 EMA(54) 0.00000



Wait for our intraday trading strategy.

## CASTOR

**CASTOR DEC: BUY AT 6115-6112 TP-6187/6230 SL BELOW 6070.**

CASTOR SEED NEW 1812(NCCTNZ8)2018/11/12 - Daily B:6130.00 A:6140.00  
O 5950.00 H 6158.00 L 5950.00 C 6136.00 ↑ V 61,275 I 148,290 +184 +3.09%  
SMA(13) 5844.0 SMA(13) 5707.2 SMA(8) 5924.5



Bulls kept dominating the trend in castor as the oilseed finished the day in yet another high momentum candlestick. Buy on small dips.

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