

Daily Commodity Market Buzz as on

Wednesday, April 20, 2016

Item	Open	High	Low	Close	% Cng	OI	Trend
Bullion							
MCX Gold	29050	29375	29050	29326	1.18	9283	↑
MCX Silver	38548	40042	38548	39747	3.72	10882	↑
Spot Gold \$	1249.30	1257.98	1249.00	1254.09	0.38		↑
Spot Silver \$	16.92	17.19	16.87	17.13	1.25		↑
Energy							
MCX Crude	2780	2851	2748	2814	1.85	15057	↑
MCX Natural Gas	129.3	137.9	129.3	137.1	6.20	6448	↑
Spot Crude \$	41.07	42.64	41.04	42.44	6.71		↑
Spot Nat.Gas \$	2.089	2.110	2.078	2.100	0.01		↑
Base Metals							
MCX Copper	317.7	325.85	315.05	325.6	2.13	17200	↑
MCX Nickel	602.1	613.2	596.6	610.1	0.61	13780	↑
MCX Zinc	125.3	127.4	125.15	127.3	1.80	6061	↑
MCX Lead	114.15	116.75	114.15	116.5	2.24	3190	↑
MCX Aluminium	104	105.4	104	105.15	0.57	2600	↑
LME Copper	4936	4953	4925	4940	-0.06		↓
LME Nickel	9210	9320	9180	9250	0.43		↑
LME Zinc	1936	1936	1921	1924	-0.31		↓
LME Lead	1756	1762	1755	1760	0.51		↑
LME Aluminium	1585	1586	1580	1582	-0.22		↓
Forex							
Dollar Index	94.12	94.17	94.03	94.06	-0.06		↓
EURUSD	1.1357	1.1369	1.1351	1.1368	0.10		↑
GBPUSD	1.4391	1.4400	1.4374	1.4382	-0.07		↓
USDINR	66.67	66.80	66.60	66.64	-0.13	1949929	↓
EURINR	75.35	75.52	75.26	75.38	-0.10	62795	↓
GBPINR	94.82	94.82	94.36	94.52	-0.59	21464	↓
JPYINR	61.65	61.85	61.37	61.50	0.73	22914	↑

Market Review

Bullion

Bullion prices as disappointing U.S. housing data dented the dollar and supported the Federal Reserve's cautious stance on interest rates. With more than 50% of silver demand coming from industry, prices have been boosted by recent indications that China's economy is stabilizing after a turbulent start to the year.

Energy

Crude oil rose following a workers' strike in Kuwait, while a global stock index hit its highest level since early December as signs of economic stabilization in China lifted demand. The workers' strike in Kuwait cut production to 1.1 mbpd from 2.8 million in March and overshadowed the weekend failure by oil producers meeting in Doha. Natural gas prices rose building on the previous session's gains as a recovery in oil prices after steep declines in the previous session saw risk appetite sharpen.

Base Metals

Base metals prices gained boosted in recent days by economic data showing a surge in new debt has fuelled a recovery in industrial production and investment in China. U.S. housing starts fell more than expected in March and permits for future home construction hit a one-year low, suggesting some cooling in the housing market in line with signs of a sharp slowdown in economic growth in the first quarter.

MCX Gold Jun 2016

Open	High	Low	Close	% Cng	OI	Vol
29050	29375	29050	29326	1.18	9283	9929

Resistance 1	Resistance 2	Resistance 3	P. Point
29450	29575	29775	
Support 1	Support 2	Support 3	29250
29125	28925	28800	

Market Synopsis

Gold trading range for the day is 28925-29575.

Gold rose as disappointing U.S. housing data dented the dollar and supported the Federal Reserve's cautious stance on interest rates.

New York Fed President William Dudley warned that the U.S. central bank is likely to stick to a cautious approach on tightening monetary policy.

SPDR gold trust holdings dropped by 0.91% i.e. 7.43 tonnes to 805.03 tonnes from 812.46 tonnes.

Hedge funds and money managers raised their bullish bets on gold and silver in the week to April 12, U.S. Commodity Futures Trading Commission data showed.

BUY GOLD JUNE @ 29200 SL 29050 TGT 29480-29650.MCX

Chart



Market Synopsis

Gold on MCX settled up 1.18% at 29326 as Comex Gold surged more than \$25 an ounce on the day with the sharp gains, gold enjoyed its strongest one-day session in more than a month as the dollar continued its prolonged slump and silver soared to a fresh 10-month high, each providing a considerable boost to the precious metal. A wave of soft U.S. housing data on Tuesday weighed on the dollar, pulling USD/CAD down to fresh nine-month lows in the wake of recovering oil prices. On Tuesday morning, the U.S. Census Bureau said building permits fell 7.7% in March to 1.086 million, extending declines of 2.2% over the previous month. The reading also fell sharply below consensus estimates of 1.200 million, as permits in the Northeast tumbled more than 21% on an annual basis. Now Gold traders were also watching for comments from Federal Reserve officials to gauge the outlook for U.S. monetary policy. The Fed raised rates modestly from near zero in December, its first policy tightening in nearly a decade. While futures markets imply no further hikes until December, Fed projections imply about two more hikes before year end. The Fed is set to hike interest rates more rapidly than investors currently expect, Boston Fed President Eric Rosengren said on Monday, pushing back on what he said was investors' too pessimistic view of the U.S. economy and monetary policy. Meanwhile holdings in SPDR Gold Trust, slid 7.43 tonnes to 805.03 tonnes on Tuesday, the biggest drop in a month. Persistent outflows could undermine the rally in gold prices. Technically market is getting support at 29125 and below same could see a test of 28925 level, And resistance is now likely to be seen at 29450, a move above could see prices testing 29575.

MCX Silver May 2016

Open	High	Low	Close	% Cng	OI	Vol
38548	40042	38548	39747	3.72	10882	20829

Resistance 1	Resistance 2	Resistance 3	P. Point
40344	40940	41838	
Support 1	Support 2	Support 3	39446
38850	37952	37356	

Market Synopsis

Silver trading range for the day is 37952-40940.

Silver jumped more than 3.5% to its highest in more than 11 months on a softer dollar and robust buying in China.

Heavy purchases so call short-covering seen in the market as silver triggered many stoploss once it breached 11 months high

Traders were also watching for comments from Federal Reserve officials to gauge the outlook for U.S. monetary policy.

Support seen as markets imply no further hikes until December, Fed projections imply about two more hikes before year end.

BUY SILVER MAY @ 39560 SL 39100 TGT 39950-40600.MCX

Chart



Market Synopsis

Silver on MCX settled up 3.72% at 39747 rallied to the highest level in 11 months on Tuesday most since May 2015 boosted by the softer dollar and signs of stabilization in China, while gold also rose, tracking gains in silver. Silver has now gained 21% this year, compared to gold's 17% rise. With more than 50% of silver demand coming from industry, prices have been boosted by recent indications that China's economy is stabilizing after a turbulent start to the year. The greenback weakened against the other major currencies on Tuesday as a recovery in oil prices boosted the currencies of commodity exporting nations. The U.S. dollar index eased 0.13% to 94.33. Support also seen for bullion after the outlook for future US interest rate increases remained clouded after Boston Fed President Eric Rosengren warned Monday that rates could increase more rapidly than investors currently expect. Separately, New York Fed President William Dudley warned that the U.S. central bank is likely to stick to a cautious approach on tightening monetary policy. An increase in interest rates would boost the greenback by making it more attractive to yield-seeking investors, while weighing on bullion by making it more expensive for holders of other currencies. Meanwhile Gold/Silver ratio dropped sharply after silver climbed on signs of stabilization in China, the world's biggest consumer of commodities. More than 50 percent of global demand for silver comes from industry. Also Holdings in exchange-traded funds are around the highest since 2014 and money managers are the most bullish since at least 2006. Technically market is getting support at 38850 and below same could see a test of 37952 level, And resistance is now likely to be seen at 40344, a move above could see prices testing 40940.

MCX Crudeoil May 2016

Open	High	Low	Close	% Cng	OI	Vol
2780	2851	2748	2814	1.85	15057	94846

Resistance 1	Resistance 2	Resistance 3	P. Point
2860	2907	2963	
Support 1	Support 2	Support 3	2804
2757	2701	2654	

Market Synopsis

Crudeoil trading range for the day is 2701-2907.

Crude prices rose as a strike by oil workers in Kuwait slashed the country's output levels and overshadowed a deadlock.

API's weekly crude inventory report showed a gain for crude stocks of 3.1 million barrels at the end of last week.

Prices surged as labor stoppage in Kuwait where thousands of workers struck for a third consecutive day while railing for public sector pay reforms.

Market players will be focusing on data on Wednesday showing a larger than expected increase in crude stockpiles also underlined oversupply concerns.

BUY CRUDE OIL MAY @ 2790 SL 2750 TGT 2835-2880.MCX

Chart



Market Synopsis

Crudeoil on MCX settled up 1.85% at 2814 snapped losing streak rose after a strike update by oil workers in Kuwait and production outages in other parts of the world renewed hopes for a smaller global glut of crude supplies. Overnight, Crude surged to fresh yearly-highs, erasing all of their losses from a failed accord in Qatar over the weekend, as Iranian officials said Tuesday that its production could return to pre-sanction levels in two months, providing indications that the Persian Gulf nation might be willing to engage in talks aimed at freezing output when OPEC meets next in June. Support seen after Iran deputy oil minister told state-run news organization IRNA that he expects output to return to pre-sanction levels from 2011 by sometime in late-June. Separately, Iranian oil sources sent strong indications that the nation could be willing to enter negotiations regarding a potential production freeze when OPEC meets next on June. In April, Iran has reportedly increased exports to 1.75mbpd, up from 1.6mbpd a month earlier, shipping data provided to Reuters shows. By June, Iran hopes to ramp up production to reach 2011 levels near 4mbpd and exports of around 2.2mbpd. Separately, oil continued to receive upside pressure from a labor stoppage in Kuwait where thousands of workers struck for a third consecutive day while railing for public sector pay reforms. The labor storage forced officials to slash crude production to 1.5mbpd, according to Kuwaiti agency KUNA. While yesterday the API's weekly crude inventory report showed a gain for crude stocks of 3.1mbls at the end of last week, well above the 1.6mbls increase seen. Technically market is getting support at 2757 and below same could see a test of 2701 level, And resistance is now likely to be seen at 2860, a move above could see prices testing 2907.

MCX Copper Apr 2016

Open	High	Low	Close	% Cng	OI	Vol
317.7	325.9	315.1	325.6	2.13	17200	40317

Resistance 1	Resistance 2	Resistance 3	P. Point
329.4	333.0	340.2	
Support 1	Support 2	Support 3	322.2
318.6	311.4	307.8	

Market Synopsis

Copper trading range for the day is 311.4-333.

Copper gained boosted in recent days by economic data showing a surge in new debt has fuelled a recovery in industrial production and investment in China.

Stockpiles in LME-approved Asian warehouses rose 53 percent from a recent 15-month low, while SHFE inventories fell for four weeks from a record.

Two major copper mines suspended its operations due to heavy rains in central Chile, combining annual capacity of 880,000 tonnes

Warehouse stock for Copper at LME was at 144700mt that is down by -2575mt.

BUY COPPER APR @ 323 SL 319 TGT 327.50-330.MCX



Market Synopsis

Copper on MCX settled up 2.13% at 325.60 risen to a three-week high, reversing earlier losses after weak data pushed the US dollar lower and reinforced growing optimism over stronger demand from top consumer China. Support seen as the US dollar fell after US housing data for March came in below consensus, supporting the idea that the US central bank would hold off raising interest rates in April. Prices also has been boosted in recent days by economic data showing a surge in new debt had fuelled a recovery in industrial production and investment in China. While slowing demand growth in China, which accounts for nearly half of global consumption, estimated at about 22 million tonnes in 2016, was behind copper's tumble to \$US4,318 a tonne in January, its lowest since May 2009. To assess demand, traders are watching for changes in copper stocks in China - estimated at about 600,000 tonnes in bonded warehouses and more than 330,000 tonnes in warehouses monitored by the Shanghai Futures Exchange. In the very near term, worries about tighter supplies on the LME market can be seen in the premium for cash metal over the three-month future, which has risen above \$US20 a tonne from levels around \$US14 a week or so ago. Prices also got support after Chile's state-run mining company, Codelco, said Monday that operations at its El Teniente copper mine will be suspended for six days due to torrential rains over the weekend that caused heavy flooding. Technically market is under short covering as market has witnessed drop in open interest by -4.34% to settled at 17200, now Copper is getting support at 318.6 and below same could see a test of 311.4 level, And resistance is now likely to be seen at 329.4, a move above could see prices testing 333.

MCX Nickel Apr 2016

Open	High	Low	Close	% Cng	OI	Vol
602.1	613.2	596.6	610.1	0.61	13780	24220

Resistance 1	Resistance 2	Resistance 3	P. Point
616.6	623.2	633.2	
Support 1	Support 2	Support 3	606.6
600.0	590.0	583.4	

Market Synopsis

Nickel trading range for the day is 590-623.2.

Nickel gains fuelled by a talk of stockpiling by China's state buyer and 24% percent reduction in China's nickel output in the first two months of the year.

The global market for refined nickel swung to a small 3,600-tonne surplus in February, from a deficit the month before, INSG data showed.

China and other major steel-producing countries failed on Monday to agree measures to tackle a global steel crisis.

Warehouse stock for Nickel at LME was at 424080mt that is up by 390mt.

BUY NICKEL APR @ 605 SL 595 TGT 618-635.MCX

Chart



Market Synopsis

Nickel on MCX settled up 0.61% at 610.10 as a slew of supportive economic signals out of China painted an encouraging picture for demand, offsetting comments from a U.S. official that the country's rate hike cycle may be faster than markets expect. Support also seen from China nickel rallied 2 percent to 71,840 yuan a tonne, fuelled by a recovery in steel, talk of stockpiling by China's state buyer and a 24 percent reduction in China's nickel output in the first two months of the year. China's leaders sound more confident that the world's second-largest economy has arrested a slide in growth to quarter-century lows, but their policy advisers caution it is too early to call an end to a cycle of easing that began in 2014. Meanwhile the Federal Reserve is set to hike interest rates more rapidly than investors currently expect, a top Fed official said on Monday, again pushing back on what he said was investors' too pessimistic view of the U.S. economy and monetary policy. Also China and other major steel-producing countries failed on Monday to agree measures to tackle a global steel crisis as the sides argued over the causes of overcapacity and whether Beijing is keeping loss-making producers afloat. The global market for refined nickel swung to a small 3,600-tonne surplus in February, from a deficit the month before, data from the International Nickel Study Group showed on Thursday. Technically market is under fresh buying as market has witnessed gain in open interest by 6.02% to settled at 13780 while prices up 3.7 rupee, now Nickel is getting support at 600 and below same could see a test of 590 level, And resistance is now likely to be seen at 616.6, a move above could see prices testing 623.2.

MCX Zinc Apr 2016

Open	High	Low	Close	% Cng	OI	Vol
125.3	127.4	125.2	127.3	1.80	6061	15589

Resistance 1	Resistance 2	Resistance 3	P. Point
128.1	128.9	130.4	
Support 1	Support 2	Support 3	126.6
125.8	124.3	123.5	

Market Synopsis

Zinc trading range for the day is 124.3-128.9.

Zinc prices gained after signs that growth is bottoming out in top consumer China.

U.S. housing starts fell more than expected in March and permits for future home construction hit a one-year low.

Confidence among Japanese manufacturers rose in April but is expected to worsen again in the coming three months.

Warehouse stock for Zinc at LME was at 411100mt that is down by -2150mt.

BUY ZINC APR @ 126 SL 124 TGT 128.50-130.50.MCX

Chart



Market Synopsis

Zinc on MCX settled up 1.8% at 127.30 tracking firmness from LME Zinc which was up 2.3 percent at \$1,937 a tonne after weak U.S. data pushed the dollar lower and reinforced growing optimism over stronger demand from top consumer China. Zinc prices also got support as stockpiles on the London Metal Exchange dropped to the lowest since 2009, signaling global supplies are shrinking. Zinc inventories dropped for a 29th straight session the lowest since August 2009, as supply cuts and the closing last year of China's MMG Ltd. Century mine and Vedanta Resources Plc's Lisheen mine boosted the need for supplies on exchanges. Chinese new-home prices rose last month in 62 of 70 cities tracked, compared with 47 cities in February, helping boost the demand outlook for the metal. Yesterday dollar dropped after the US housing starts fell more than expected in March and permits for future home construction hit a one-year low, suggesting some cooling in the housing market in line with signs of a sharp slowdown in economic growth in the first quarter. As a result, the U.S. Dollar Index fell more than 0.50% to an intraday low of 93.89, slipping below 94 for the first time in a week. The index, which measures the strength of the greenback versus a basket of six other major currencies, is now percentage points away from hitting eight-month lows from last week. Technically market is under fresh buying as market has witnessed gain in open interest by 7.27% to settled at 6061 while prices up 2.25 rupee, now Zinc is getting support at 125.8 and below same could see a test of 124.3 level, And resistance is now likely to be seen at 128.1, a move above could see prices testing 128.9.

MCX Aluminium Apr 2016

Open	High	Low	Close	% Cng	OI	Vol
104.0	105.4	104.0	105.2	0.57	2600	4095

Resistance 1	Resistance 2	Resistance 3	P. Point
105.8	106.3	107.2	
Support 1	Support 2	Support 3	104.9
104.4	103.5	103.0	

Market Synopsis

Aluminium trading range for the day is 103.5-106.3.

Aluminium gained after weak U.S. data pushed the dollar lower and reinforced growing optimism over stronger demand from top consumer China.

But Chinese exports and oversupply are expected to weigh on prices over the coming weeks and months.

Aluminium daily stocks at Shanghai exchange came up by 821 tonnes.

Warehouse stock for Aluminium at LME was at 2695775mt that is down by -9775mt.

BUY ALUMINIUM APR @ 104 SL 102.50 TGT 105.50-108.MCX

Chart



Market Synopsis

Aluminium on MCX settled up 0.57% at 105.15 tracking firmness from LME Aluminium which gained 1.1 percent to \$1,587, its highest since March 8 as the dollar fell after U.S. housing data for March came in below consensus, supporting the idea that the U.S. central bank would hold off raising interest rates this month. A lower U.S. currency makes dollar-denominated metals cheaper for non-U.S. firms; a relationship used by funds to generate buy and sell signals from numerical models. While Chinese exports and oversupply are expected to weigh on prices over the coming weeks and months as recent gains entice Chinese smelters to restart aluminium output. That prospect has seen aluminium prices in Shanghai stall at about 12,000 yuan a tonne in recent days. Lastweek Aluminum posted losses on Friday, trading 0.3% lower on the London Metal Exchange on the back of unclear data from the US and China, which casted a pal on the growth prospects worldwide. In spite of declines posted on Friday, aluminum managed to lead solid gains, closing the prior trading week higher to finish up 2.56% and reversing last week's anemic performance. However, market warn that it is still to early to talk about long-term improvement in the value of the industrial metal, despite strong gains registered in the earlier part of the week, while the impact of weaker oil prices on the future performance of aluminum remains to be seen. Technically market is under short covering as market has witnessed drop in open interest by -6.61% to settled at 2600 while prices up 0.6 rupee, now Aluminium is getting support at 104.4 and below same could see a test of 103.5 level, And resistance is now likely to be seen at 105.8, a move above could see prices testing 106.3.

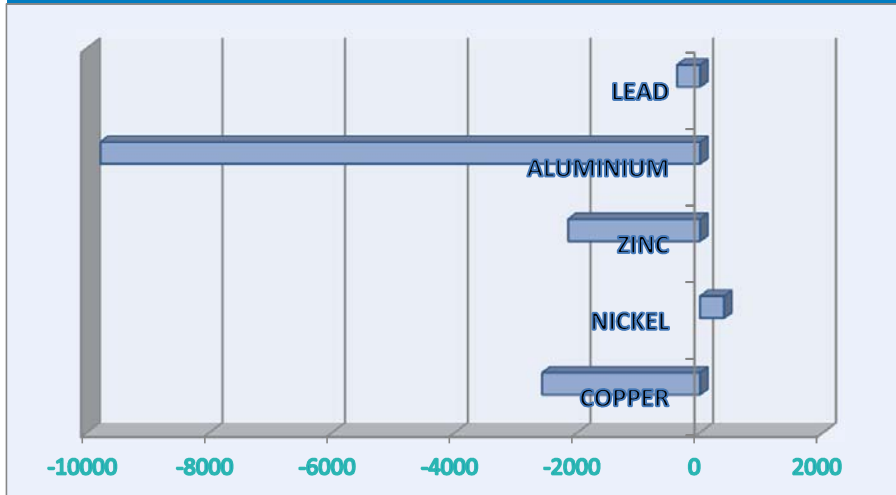
Economical Data

Time	Zone	Data	Fore.	Prev.
11:30am	EUR	German PPI m/m	0.002	-0.005
3:30pm	EUR	ECB President Draghi Speaks		
Tentative	EUR	German 10-y Bond Auction		0.30 1.4
7:30pm	USD	Existing Home Sales	5.29M	5.08M
8:00pm	USD	Crude Oil Inventories	2.2M	6.6M

Daily Spread Opportunity

Commodity	Months	Spread	Remark
MCX Gold	Jun 2016 Aug 2016	216	Spread between Gold JUN & AUG contracts yesterday ended at Rs.216, we have seen yesterday Gold future had traded in a positive zone and settled 1.18% up.
MCX Silver	May 2016 Jul 2016	600	Spread between Silver MAY & JUL contracts yesterday ended at Rs.600, we have seen yesterday Silver future had traded in a positive zone and settled 3.72% up.
MCX Crude	May 2016 Jun 2016	75	Spread between Crude oil MAY & JUN contracts yesterday ended at Rs.75, we have seen yesterday Crude oil future had traded in a positive zone and settled 1.85% up.
MCX Copper	Apr 2016 Jun 2016	4.7	Spread between Copper APR & JUN contracts yesterday ended at Rs.4.7, we have seen yesterday Copper future had traded in a positive zone and settled 2.13% up.
MCX Nickel	Apr 2016 May 2016	6.1	Spread between Nickel APR & MAY contracts yesterday ended at Rs.6.1, we have seen yesterday Nickel future had traded in a positive zone and settled 0.61% up.

LME Daily Stock



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