

Weekly Market Update

Monday, July 7, 2014



Commodity	Closed	% Change	View
Gold	27557	-0.42	Bullion prices ended with mixed tone where gold prices dropped by around half percent losses as Thursday's upbeat U.S. employment data continued to lend support to the U.S. dollar while silver prices ended with over one percent gains followed by gains in base metals prices, however prices seen some support after Federal Reserve Chair Janet Yellen said earlier that policy will remain accommodative despite an increase in appetite for risk in financial markets.
Silver	45048	1.17	
Crude	6222	-2.23	Crude oil prices dropped more than two percent losses on the prospect of revived Libyan exports and more U.S. crude soon finding its way to refiners. Investors were still nervous about the unfolding crisis in OPEC's second-largest producer, Iraq. Natural gas prices dropped by over one percent losses as pressure despite weekly data by EIA posted its weekly reading on natural gas inventories.
Natural Gas	262.2	-1.02	
Copper	435.10	4.13	Base metals prices seen supported on weekly basis as an upbeat U.S. jobs report fired optimism over economic growth. Confidence was boosted after data showed U.S. employment growth jumped in June and the unemployment rate declined, allaying fears about the economy's health after a weather-hit start to the year.
Zinc	133.5	1.60	
Nickel	1158	2.54	
Aluminium	114.15	2.84	
Lead	129.80	1.41	

Weekly Market Level for Bullion, Basemetal & Energy

COMMODITIES	GOLD	SILVER	CRUDE	NAT.GAS	COPPER	ZINC	NICKEL	ALUMINUM	LEAD
CLOSE	27557	45048	6222	262.2	435.10	133.50	1158.00	114.15	129.80
RESISTANCE	28454	47095	6551	281.5	460.5	140.9	1267.0	120.8	137.0
	28197	46235	6473	276.4	448.2	138.1	1230.0	118.0	135.0
	27877	45642	6347	269.3	441.7	135.8	1194.1	116.1	132.0
P. POINT	27620	44782	6269	264.2	429.4	133.1	1157.6	113.2	130.0
SUPPORT	27300	44189	6143	257.1	422.9	130.8	1121.4	111.3	127.0
	27043	43329	6065	252.0	410.6	128.0	1084.9	108.5	125.0
	26723	42736	5939	244.9	404.1	125.7	1048.7	106.6	122.0
Trend	WEAK	POSITIVE	WEAK	WEAK	POSITIVE	POSITIVE	POSITIVE	POSITIVE	WEAK

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Bullion



Bullion prices ended with mixed note where gold prices dropped by around half percent losses as Thursday's upbeat U.S. employment data continued to lend support to the U.S. dollar while silver prices ended with over one percent gains followed by gains in base metals prices, however prices seen some support after Federal Reserve Chair Janet Yellen said earlier that policy will remain accommodative despite an increase in appetite for risk in financial markets. U.S. employment growth jumped in June and the jobless rate closed in on a six-year low, providing evidence of economic growth heading into the second half of the year. Federal Reserve Chair Janet Yellen said that an appetite for risk is on the rise, though the country's top economist sees no need to immediately alter today's accommodative U.S. monetary policy. Still, better-than-expected jobs numbers capped gains by reminding investors that the Fed will tighten policy one day, likely within a year after it winds down its monthly bond-buying stimulus program. Payroll processor ADP reported earlier in its nonfarm payrolls report showed that the U.S private sector added 281,000 jobs last month, beating expectations for an increase of 200,000 and the highest since. On Thursday, the U.S. Department of Labor said non-farm payrolls rose by 288,000 last month, easily surpassing expectations for an increase of 212,000. The previous month's figure was revised up to a gain of 224,000 from a previously reported increase of 217,000. The unemployment rate ticked down to a four-and-a-half year low of 6.1% from 6.3% in May. Analysts had expected the jobless rate to hold steady at 6.3% last month. The upbeat jobs report fuelled optimism over the strength of the labor market and bolstered the outlook for the broader economic recovery. Separately, the Institute of Supply Management said its non-manufacturing purchasing manager's index fell to 56.0 last month from a reading of 56.3 in May. A plan by the Reserve Bank of India (RBI) to swap old gold in its vaults for purer metal abroad that it could pledge or sell would have the added benefits of reducing gold imports and easing pressure on the balance of payments.

Weekly Market Update

Energy



Crude oil prices dropped more than two percent losses on the prospect of revived Libyan exports and more U.S. crude soon finding its way to refiners. In the United States, the near-completion of the Seaway pipeline means an extra 450,000 barrels per day (bpd) of shale oil will soon be sent to U.S. Gulf Coast refiners, further reducing their need of foreign oil. The reopening of Libya's eastern Es Sider and Ras Lanuf terminals will add around 500,000 bpd of oil exports to markets after the end of a deadlock with local leaders that had cut exports from the OPEC member to a trickle. The prospect of rising Iranian exports should sanctions ease remained a factor for oil markets, with investors sensitive to signs of progress in talks to end a dispute over Tehran's nuclear program. On the demand front, data on Thursday showed U.S. employment growth jumped in June and the jobless rate closed in on a six-year low, evidence the economy was growing briskly heading into the second half of the year. Investors were still nervous about the unfolding crisis in OPEC's second-largest producer, Iraq. Natural gas prices dropped by over one percent losses as pressure despite weekly data by EIA posted its weekly reading on natural gas inventories. Weather patterns project more moderate weather for the US in the mid term. The US Energy Information Administration (EIA) posted its weekly reading on natural gas inventories for the seven days ended June 27. Stocks were shown to have added 100 Billion cubic feet (Bcf), 22 Bcf more than the 5-year average gain for the week. Total gas held in underground storage hubs is still 25.7% lower than last year's levels during the comparable period. However, the EIA has suggested gains will continue to be above-average, and that most likely inventories will be completely replenished ahead of winter heating season. The five-year average change for the week is an increase of 68 billion cubic feet. Total U.S. natural gas storage stood at 1.929 trillion cubic feet. Stocks were 666 billion cubic feet less than last year at this time and 790 billion cubic feet below the five-year average of 2.719 trillion cubic feet for this time of year. Natural gas stockpiles have grown by 100 or more billion cubic feet for eight consecutive weeks, a record streak since 1994. Producers would need to add approximately 2.6 trillion cubic feet to storage by November 1 to meet typical winter demand.

Weekly Market Update

Base Metal



Base metals ended with gains where copper prices gained over four percent followed around three percent gains in aluminium and two and half percent gains in nickel prices while zinc and lead too ended with over one percent gains as prices seen supported as an upbeat U.S. jobs report fired optimism over economic growth. Zinc prices seen supported on weekly basis propelled by expectations of a supply deficit and momentum based buying Confidence was boosted after data showed U.S. employment growth jumped in June and the unemployment rate declined, allaying fears about the economy's health after a weather-hit start to the year. That came after a survey showed that global business activity picked up in June, with new orders pouring in at their fastest rate in over three years. Copper stocks in LME warehouses have ticked up in the past few sessions, but still remain close to six-year lows near 150,000 tonnes. LME copper rose to a session high of \$7,190 per tonne, its highest level since Feb. 19, and posted a 3 percent gain for the week, the biggest weekly rise since Sept. 20. Manufacturing activity in the United States and in Asia's industrial powerhouses China and Japan expanded further in June, but euro zone growth faltered as main motor Germany slowed. As per the data revealed by the US Geological Survey (USGS), the zinc mine production by the country during the first quarter of the year totaled 207,000 tons, 19% higher when compared with the output during Q1 2013. According to USGS data, the LME stocks of special high-grade zinc in the US totaled 729,275 metric tons, falling by nearly 17% from 874,350 metric tons in March 2013. Production of nickel will exceed demand by 50,000 metric tons this year before a deficit in 2015. Prices surged as much as 56 percent in 2014 and are still up 40 percent. Indonesia, the world's largest nickel-mining nation, will hold a presidential election on July 9. Chinese manufacturing expanded at this year's fastest pace in June, official data showed. Nickel raced to a high of \$21,625 in May, but has since struggled to regain those levels as investors realised that no shortages had yet emerged due to high levels of stocks.

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Commodity	View for the week
Gold	SELL GOLD @ 27800 SL 28150 TGT 27400-27100
Silver	SELL SILVER @ 45600 SL 46400 TGT 44500-43600
Crude oil	SELL CRUDE OIL @ 6280 SL 6400 TGT 6150-6040.
Natural Gas	SELL NAT.GAS @ 268 SL 278 TGT 256-248.
Copper	SELL COPPER @ 440 SL 452 TGT 428-418.
Zinc	BUY ALUMINIUM @ 111 SL 108 TGT 115.50-118.
Nickel	BUY NICKEL @ 1130 SL 1100 TGT 1185-1210.
Aluminium	BUY ZINC @ 129 SL 126 TGT 133.50-138.
Lead	BUY LEAD @ 127 SL 124 TGT 130-134.50.



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