

SEBI Registration Number: INA000001647

## MCX Daily Report

21 MAY 2018

### News High lights

#### Rising Rates, Euro Worries and Trade War Concerns are Today's Market Drivers.

Besides rising U.S. interest rates, gold could be pressured on Friday by further weakness in the Euro. The single-currency is headed for its fifth successive weekly decline versus the dollar, in what would be a first for the currency since 2015, as political uncertainty in Italy continued to worry investors. Gold futures are trading lower early Friday, pressured by rising U.S. Treasury yields and a rebound in the U.S. Dollar. Renewed geopolitical tensions over North Korea may be encouraging some buying. Additionally, there are also worries over an escalation of tensions between the United States and China over trade issues. However, unless these stories lead to elevated concerns, rising interest rates will be the main driver of the bearish price action.



#### Ten companies approved for copper scrap imports in 12th batch of approvals.

The operating rates across China's zinc oxide plants are likely to dip in May, an SMM survey showed. This is due to the month-long environmental inspections in Jiangsu province since late April, and intensified inspections ahead of the Shanghai Cooperation Organisation (SCO) Summit in Qingdao, Shandong province, in June. Hebei and Jiangsu border Shandong in the north and south, respectively. Most of China's zinc oxide production is located in these three provinces and account for more than half of China's capacity.



#### Operating rates at zinc oxide plants to dip in May.

China's inventory of primary aluminium, including SHFE warrants, shrank to 2.12 million mt as of Monday May 21 due to stable downstream consumption, according to SMM data. The inventory was down 20,000 mt from 2.14 million mt on Thursday May 17 and down 32,000 mt from 2.25 million mt a week ago. The week-on-week decline was slower from 58,000 mt last Thursday.

#### Oil Prices Rise As China, U.S. Put Trade War On Hold.

Oil prices rose on Monday morning in Asia, boosted by news that China and the U.S. have put a looming trade war "on hold". The trade war between the world's two biggest economies is "on hold" after they agreed to drop their tariff threats while they work on a wider trade agreement, according to U.S. Treasury Secretary Steven Mnuchin on Sunday. The news gave global markets a lift in early trading on Monday. Brent crude crept ever closer to \$80 per barrel, a level it has not seen since November 2014, as supplies tightened while demand remained strong. Traders expect the trade dispute to de-escalate over time through negotiation. However, geopolitical risks continue to prop up prices. Markets remain on edge due to looming U.S. sanctions against Iran that may cause shortages in oil supplies later this year when trade restrictions take effect. Iran currently produces 4% of global oil supplies.



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### Precious Metals

<p><b>CS GOLD (JUNE) OVERVIEW:</b>                  TREND : BULLISH                  RESIST 2: 31300                  RESIST 1: 31200                  SUP 1: 30900                  SUP 2: 30800                  WWW.CAPITALSTARS.COM +917316690000</p>	<p><b>CS SILVER (JULY) OVERVIEW:</b>                  TREND : BULLISH                  RESIST 2: 40700                  RESIST 1: 40500                  SUP 1: 39900                  SUP 2: 39700                  WWW.CAPITALSTARS.COM +917316690000</p>
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### Base Metals

<p><b>CS COPPER (JUNE) OVERVIEW:</b>                  TREND : SIDEWAYS                  RESIST 2: 471.00                  RESIST 1: 469.00                  SUP 1: 461.00                  SUP 2: 459.00                  WWW.CAPITALSTARS.COM +917316690000</p>	<p><b>CS NICKEL (MAY) OVERVIEW:</b>                  TREND : SIDEWAYS                  RESIST 2: 1015.00                  RESIST 1: 1010.00                  SUP 1: 980.00                  SUP 2: 975.00                  WWW.CAPITALSTARS.COM +917316690000</p>
<p><b>CS ZINC (MAY) OVERVIEW:</b>                  TREND : BULLISH                  RESIST 2: 217.00                  RESIST 1: 215.00                  SUP 1: 210.00                  SUP 2: 208.00                  WWW.CAPITALSTARS.COM +917316690000</p>	<p><b>CS LEAD (MAY) OVERVIEW:</b>                  TREND : SIDEWAYS                  RESIST 2: 163.00                  RESIST 1: 161.00                  SUP 1: 157.00                  SUP 2: 155.00                  WWW.CAPITALSTARS.COM +917316690000</p>
<p><b>CS ALUMINIUM (MAY) OVERVIEW:</b>                  TREND : SIDEWAYS                  RESIST 2: 159.00                  RESIST 1: 157.00                  SUP 1: 153.00                  SUP 2: 151.00                  WWW.CAPITALSTARS.COM +917316690000</p>	

### Energies

<p><b>CS CRUDE OIL (JUNE) OVERVIEW:</b>                  TREND : SIDEWAYS                  RESIST 2: 5000                  RESIST 1: 4960                  SUP 1: 4860                  SUP 2: 4820                  WWW.CAPITALSTARS.COM +917316690000</p>	<p><b>CS NATURAL GAS (MAY) OVERVIEW:</b>                  TREND : SIDEWAYS                  RESIST 2: 198.00                  RESIST 1: 196.00                  SUP 1: 191.00                  SUP 2: 189.00                  WWW.CAPITALSTARS.COM +917316690000</p>
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### Pick for the Day



MCX Crude Oil June on Friday as seen in the daily chart opened at 4878 levels and day high of 4902 levels. During this period price corrected & made day low of 4849 levels finally closed at 4874 levels. Now, there are chances of further upside movement technically & fundamentally.

- Oil prices have surged more than 70% over the last year as demand has risen sharply while production has been restricted by the Organization of the Petroleum Exporting Countries (OPEC), led by Saudi Arabia, and other producers, including Russia.
- On the other hand, U.S. crude is increasingly appearing on global markets as a result of its surging production. The U.S. oil rig count, an early indicator of future output, is at 844, the highest level since March 2015.

**DAILY RECOMMENDATION: BUY MCX CRUDE OIL MAY AROUND 4880 LEVELS FOR TARGET OF TG 4930 T2 4960 WITH SL 4800 OF LEVELS.**



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**Report Is Checked By Investment Advisor :**

