



# WEEKLY MCX NEWS LETTER

27<sup>th</sup> TO 30<sup>th</sup> JUNE 2017



**PREPARED BY-  
Research Team**



# BULLION

- **MCX GOLD:**

Gold trading range for the week is 28448-28820.

Gold on MCX settled up 0.18% at 28629 on short covering moving prices further away from their lowest level in around five weeks as recent selling pressure tied to bets on another US interest rate hike this year faded. Investors continued to evaluate the possibility of another rate hike from the Fed later this year in the wake of mixed messages from policymakers in recent days. Last week, the U.S. central bank raised interest rates for the second time this year and maintained plans to go ahead with another rate hike by year-end.

Futures traders are pricing in less than a 15% chance of a hike at the Fed's Sept meeting, odds of a Dec increase was seen at about 35%. Sentiments remain firm as support seen after the report that Gold may be in a longer-term bullish trend signaled by the formation of a rare golden cross in December, according to Ned Naylor-Leyland, manager of the Old Mutual Gold & Silver Fund. That is when the 50-week average moved above the 200-week gauge, and the previous time it happened was in 2002. When the opposite happens, it has known as a death cross and considered bearish. Every time they have crossed in the past 30 years, it foreshadowed a broad price move that lasted at least three years in gold and real bond yields.

BUY GOLD AUG 2017 @ 28821 SL 28486 TGT 29125-29314.MCX

## MCX SILVER:

Silver on MCX settled 0.64% at 38220 benefiting from risk aversion as weaker oil prices dented stocks while the dollar retreated. Prices remained on track to end higher for a second-straight session, as subdued weekly initial jobless claims data undershot expectations, helping the precious metal shrug off expectations that the Federal Reserve may hike rates later this year. The latest weekly update on initial jobless claims failed to impress market participants, showing that the number of Americans filing for unemployment benefits increased slightly last week. Initial claims for state unemployment benefits increased 3,000 to a seasonally adjusted 241,000 for the week ended June 17, the Labor Department said on Thursday. The move higher in prices comes in the wake of a recent shift in sentiment towards safe havens, after oil prices fell to multi-month lows this week.

BUY SILVER JUL 2017 @ 38500 SL 38050 TGT 38750-39100.MCX

# ENERGY



## MCX CRUDE OIL:

Crude oil on MCX settled up 1.28% at 2776 paring some of the losses sustained in recent sessions but sentiment remained bearish as investors continue to fret about rising global stockpiles. The move comes a day after EIA said that crude stockpiles fell by roughly 2.45m barrels in the week ended June 16, above expectations of draw of about 2.1m barrels. According to EIA, domestic output climbed by 20,000 barrels to 9.35 million barrels a day last week, almost 8% higher than the same period last year. The increase in U.S. drilling activity and shale production has mostly offset efforts by OPEC and other producers to cut output in a move to prop up the market. Iraq's oil exports from fields owned by the central government in Baghdad are at around 3.27 million barrels per day (bpd) so far in June, about the same level as in May, Oil Minister Jabar al-Luaibi said on Thursday.

SELL CRUDEOIL JUN 2017 @ 2770 SL 2810 TGT 2730-2700 .MCX

# BASE METALS

- **MCX METALS-**

Zinc on MCX settled up 1.9% at 174.05 on fresh buying and tracking LME Zinc which ended 3.3 percent higher at \$2,640, having touched its highest since May 31 earlier at \$2,642, bolstered by the weaker dollar and concerns over tightening supplies, with LME stocks at their lowest since January 2009. Investors sought to balance concerns about tightening supplies with uncertainty over Chinese demand. A steady stream of news has encouraged the bulls recently, including a talk of a market deficit, an expected strike in major producer Peru and declining inventories. But monetary tightening in China has stoked worries about the appetite for industrial metals in its biggest market. Zinc prices also got support as the market focused on falling stocks in LME warehouses, which at 304,000 tonnes are down nearly 30 percent since January.

BUY ZINC JUN 2017 @ 177.00 SL 162 TGT 182-190.MCX

## **Copper trading range for the day is 363.9-376.1**

Copper on MCX settled 0.11% at 370.6 spurred on by data showing the metal's shift to global a supply deficit. World Bureau of Metal Statistics (WBMS) reported Wednesday global copper supply was in 5,000 tonnes of deficit during January-April 2017, compared to 69,000 tonnes of deficit in 2016 Copper inventories slid in April, but increased 82,000 tonnes in late April from late December 2016. Output from global copper mines totaled 6.55 million tonnes during January-April 2017, down 0.6% from the same period of last year. Zambia's Vice President said on Thursday domestic copper production will grow to 850,000 tonnes level in 2017, compared to last year's 770,597 tonnes. Peru's copper production increased 1.6% on a yearly basis in April to 190,903 tonnes. Peru's copper output will continue growing during May-June since the strike has ended.

BUY COPPER JUN 2017 @ 377 SL 368 TGT 385-398.MCX

# GOLD



## JUSTIFICATION:

TECHNICALLY MARKET IS GETTING SUPPORT AT 28583 AND BELOW SAME COULD SEE A TEST OF 28537 LEVEL, AND RESISTANCE IS NOW LIKELY TO BE SEEN AT 28712, A MOVE ABOVE COULD SEE PRICES TESTING 28795.

# SILVER



## JUSTIFICATION:

TECHNICALLY MARKET IS UNDER SHORT COVERING AS MARKET HAS WITNESSED DROP IN OPEN INTEREST BY -3.71% TO SETTLED AT 15201 WHILE PRICES UP 243 RUPEES, NOW SILVER IS GETTING SUPPORT AT 38035 AND BELOW SAME COULD SEE A TEST OF 37851 LEVEL, AND RESISTANCE IS NOW LIKELY TO BE SEEN AT 38468, A MOVE ABOVE COULD SEE PRICES TESTING 38717.

# CRUDE Oil



## JUSTIFICATION:

TECHNICALLY MARKET IS UNDER SHORT COVERING AS MARKET HAS WITNESSED DROP IN OPEN INTEREST BY -15.44% TO SETTLED AT 25904 WHILE PRICES UP 35 RUPEES, NOW CRUDEOIL IS GETTING SUPPORT AT 2739 AND BELOW SAME COULD SEE A TEST OF 2701 LEVEL, AND RESISTANCE IS NOW LIKELY TO BE SEEN AT 2814, A MOVE ABOVE COULD SEE PRICES TESTING 2851.

# COPPER



## JUSTIFICATION:

TECHNICALLY MARKET IS UNDER FRESH BUYING AS MARKET HAS WITNESSED GAIN IN OPEN INTEREST BY 0.15% TO SETTLED AT 13803 WHILE PRICES UP 0.4 RUPEES, NOW COPPER IS GETTING SUPPORT AT 367.3 AND BELOW SAME COULD SEE A TEST OF 363.9 LEVEL, AND RESISTANCE IS NOW LIKELY TO BE SEEN AT 373.4, A MOVE ABOVE COULD SEE PRICES TESTING 376.1.



# PIVOT TABLE

SCRIPTS	R3	R2	R1	P. P	S1	S2	S3
<b>GOLD</b>	32385	30417	29486	27518	26587	24619	19751
<b>SILVER</b>	37370	37591	37785	38006	38200	38421	39056
<b>CRUDEOIL</b>	2709	2751	2782	2824	2855	2897	3012
<b>COPPER</b>	357.4	360.1	365.3	368	373	376	387
<b>LEAD</b>	128.4	130.	131.3	133.6	133.6	134.2	141.7
<b>ZINC</b>	154.5	156.0	157.1	158.6	159.8	161.3	165.4
<b>ALIMINUM</b>	120.0	120.9	121.5	122.4	123.0	123.9	126.3
<b>NICKEL</b>	563.1	566.3	569.4	572.6	575.7	578.9	588.4
<b>NATURAL GAS</b>	182.9	186.2	191.5	194.8	200.1	203.4	215.2

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