

MARKET RATES

COMMODITY	LAST	OPEN	HIGH	LOW	NETCHG	PERCCHG	VOL	OI
CHICAGO MERCANTILE EXCHANGE - COMEX								
SPOT GOLD	1332.99	1333.34	1336.74	1331.18	-0.35	-0.03%	-	-
GOLD FUTURES	1334.30	1334.90	1338.30	1332.70	1.50	0.11%	77,138	355,429
SPOT SILVER	16.63	16.67	16.70	16.60	-0.04	-0.23%	-	-
SILVER FUTURES	16.58	16.62	16.65	16.54	0.03	0.15%	26,736	137,316
COPPER FUTURES	3.21	3.22	3.24	3.20	-0.02	-0.54%	34,289	136,433
NEW YORK MERCANTILE EXCHANGE (NYMEX)								
CRUDE OIL FUTURES	63.70	64.00	64.08	63.58	-0.21	-0.33%	93,958	501,224
NATURAL GAS FUTURES	2.67	2.68	2.69	2.66	-0.02	-0.67%	12,126	320,471
LONDON METALS EXCHANGE (LME)								
ALUMINUM	2154.75	2145.75	2159.25	2141.25	15.25	0.71%	5,572	4,339
COPPER	7078.00	7130.50	7142.50	7058.75	-35.25	-0.50%	6,099	3,434
LEAD	2575.00	2581.75	2586.75	2561.00	-3.00	-0.12%	943	1,410
NICKEL	13955.00	13920.00	14030.00	13830.00	20.00	0.14%	2,965	2,185
ZINC	3514.50	3534.75	3541.75	3506.50	-15.75	-0.45%	2,993	1,282
MULTI COMMODITY EXCHANGE (MCX)								
GOLD	30,544.00	30,540.00	30,610.00	30,526.00	13.00	0.04%	3,815	7,849
SILVER	38,516.00	38,559.00	38,624.00	38,452.00	8.00	0.02%	5,992	10,454
CRUDE OIL	4,141.00	4,149.00	4,154.00	4,132.00	-14.00	-0.34%	34,789	21,498
NATURAL GAS	173.80	175.30	176.00	173.60	-1.10	-0.63%	19,565	16,299
ALUMINUM	140.30	140.10	140.75	139.80	0.75	0.54%	4,386	2,323
COPPER	455.90	457.70	459.85	455.10	-1.80	-0.40%	16,209	11,843
LEAD	167.25	167.30	168.05	166.45	-0.10	-0.06%	5,884	2,327
NICKEL	902.20	897.50	906.50	895.50	3.20	0.36%	19,506	7,516
ZINC	230.35	231.00	231.65	229.80	-0.75	-0.32%	9,605	7,231

TECHNICAL PICK

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Gold Futures, (CFD):GC, \$9



COMEX GOLD, LTP \$1333.90

Gold futures rallied higher to \$1342.80 before being pushed lower by a strong dollar and profit booking. The intraday action has been limited driven by the uncertainty around central banks events and data releases.

The bullish setup is under threat as prices consolidate above key support at \$1330 with an hourly close cancelling any possible upsidess whereas a strong bounce back with volumes should indicate that buyers have returned and call for higher prices this week.

THE DAY AHEAD

Precious Metals trade steady ahead of FED chair Powell's testimony before the House Committee

Precious Metals are trading steady today ahead of Powell's first testimony as the new FED chair. Gold is trading at 1334.00 and Silver is at 16.56 currently.

The new FED chair Jerome Powell is due to deliver his first semi-annual monetary policy testimony when he appears before the House Financial Services Committee, at 7.00 pm IST today. The minutes of the January meeting indicated that the FED has grown increasingly confident of the economic growth and may consider tightening the policy at a faster pace and it is important to note whether Jerome Powell holds a similar view. We believe that the FED's chair may not sound too hawkish, preferring to stay in line with the three rate hikes as forecasted in early 2017. On the releases front, durable goods orders and consumer confidence should keep the traders active today.

While the intraday bias remains bullish, the technical bullish setup has come under threat overnight with Gold trading close to key support levels at 1330.0 breaking which further downside to 1320-1310 is expected. Silver find strong support at 16.58 and a breakdown below this could trigger a short selling up to 16.49 in intraday.

Base Metals trade mixed; weaker home sales weigh on prices

Base Metals are trading mixed today with Aluminum and Nickel trading in green while the rest of complex is down over half a percent each. LME 3-month Copper is down 7074.25, down 0.54% currently.

The weaker than expected new home sales report continued to weigh on prices overnight. Analysts expected home sales to grow 3.2% in January after a dismal performance in December 2017 but the actual figures missed both the forecast and previous figures to drop over 7.8% in January raising concerns over the demand of new single family homes. The intraday bias remains mixed for base metals - Copper is expected to drift lower to previous supports of 455-454 today along with Zinc whereas Nickel continues to remain bullish and may attempt to rally to 910-913 in intraday whereas, on the downside, a breakdown below 898 could push Nickel prices into a deep corrective phase.

Crude Oil rallies sharply last evening; may extend gains

Crude Oil is trading lower today after having rallied sharply last evening. WTI is down over half a percent to trade at 63.59 whereas Natural Gas is down 0.71% to 2.66 currently.

The EIA reported early today the US is set to overtake Russia as the world's largest oil producer indicating a robust oil output from the US along with stronger exports which should also push to new highs in 2018. While the short-term outlook, continues to remain bullish we expect oil to correct further ahead of the weekly inventories report. On the downside, support at 63.45 is the decisive level and a breakdown below this level could push prices lower to 63.00-62.85 today. On the upside, a daily close above 64.15 would indicate the resumption of the uptrend and call for prices to retest previous highs in the short term. Natural Gas fell sharply last night and is expected to consolidate in the current range. We maintain a bullish outlook on prices and expect the buying pressure to re-emerge once prices close above minor resistance at 177 on a daily basis.

KEY MARKET EVENTS/RELEASES

COUNTRY	DATA RELEASE/EVENT	TIME	IMPACT	CONSENSUS	PREVIOUS
US	DURABLE GOODS ORDER (JAN)	7.00 PM	MEDIUM	0.40%	0.70%
US	CORE DURABLE GOODS ORDER (JAN)	7.00 PM	MEDIUM	-2.40%	2.80%
US	JEROME POWELL TESTIFIES	7.00 PM	HIGH	-	-
US	CB CONSUMER CONFIDENCE	8.30 PM	MEDIUM	126.20	125.40

MARKET TREND AND PIVOT POINTS

COMMODITY	TREND	R1	R2	R3	PIVOT	S1	S2	S3
GOLD	NEUTRAL	30616.33	30701.66	30844.66	30558.66	30473.33	30415.66	30272.66
SILVER	NEUTRAL	38730.33	38952.66	39402.66	38502.66	38280.33	38052.66	37602.66
CRUDE OIL	NEGATIVE	4187.00	4219.00	4298.00	4140.00	4108.00	4061.00	3982.00
NATURAL GAS	NEUTRAL	177.46	180.03	185.03	175.03	172.46	170.03	165.03
ALUMINUM	POSITIVE	141.18	142.81	145.31	140.31	138.68	137.81	135.31
COPPER	NEGATIVE	461.20	464.70	470.50	458.90	455.40	453.10	447.30
LEAD	NEUTRAL	168.60	169.85	172.85	166.85	165.60	163.85	160.85
NICKEL	POSITIVE	908.13	917.26	936.36	898.16	889.03	879.06	859.96
ZINC	NEGATIVE	232.11	233.13	235.58	230.68	229.66	228.23	225.78

MARKET NEWS AND KEY DEVELOPMENTS

UK set to become net crude oil exporter

LONDON (Bloomberg) -- For all the talk of aging oil fields and shrinking production, the UK is about to achieve a surprising feat: it's on the brink of becoming a net crude oil exporter for the first time in 14 years. To put the milestone into context, it's one of the key criteria for joining OPEC. A handful of new projects in the North Sea that will come on stream this year will lift the nation's crude output above 1 MMbpd, according to JBC Energy GmbH, a Vienna-based forecaster.

While joining the Organization of Petroleum Exporting Countries is almost unthinkable in reality, the potential for net exports does highlight a rebound in UK crude production that once seemed in permanent decline. Output declined for consecutive years between 2000 and 2014, according to BP Plc, whose figures include natural gas liquids.

The UK pumped an average 914,000 bpd in 2017, preliminary data from the Paris-based International Energy Agency show. Last month, the nation was a net importer of crude by half a million tons, according to JODI. That equates to about 3.7 MMbbl, or 118,000 bpd. North Sea production has received a recent boost from new developments, such as BP's 130,000-bpd Quad204 and Premier Oil Plc's Catcher 60,000-bpd fields. BP's Clair Ridge and Statoil ASA's Mariner project could add an additional 155,000 bpd when they start production in the first half of this year, according to JBC.

US to overtake Russia as biggest crude oil producer by 2019 at latest: IEA

The United States will overtake Russia as the world's biggest oil producer by 2019 at the latest, the International Energy Agency (IEA) said on Tuesday, as the country's shale oil boom continues to upend global markets.

US crude oil output rose above 10 million barrels per day (bpd) late last year for the first time since the 1970s, overtaking top oil exporter Saudi Arabia. The US Energy Information Administration said early this month that U.S. output would exceed 11 million bpd by late 2018. That would take it past top producer Russia, which pumps just below that mark. Birol said he did not see US oil production peaking before 2020, and that he did not expect a decline in the next four to five years.

US oil is also increasingly being exported, including to the world's biggest and fastest growing markets in Asia, eating away at OPEC and Russian market share.

Rising Chinese imports push copper higher

The price of copper has risen as higher imports to China and strong economic data cemented expectations of solid demand from the world's biggest metals consumer.

Copper imports to China rose 13 per cent from December to 314,525 tons in January, while refined nickel imports doubled to 26,691 tons and refined zinc imports surged by 287 per cent to 67,111 tons. Prices of nickel and zinc, used in the steel industry, also rose on the strong import data and a surge in Chinese steel futures after reports that China's top steelmaking city will extend production curbs.

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Stock Recommendation	Expected absolute returns (%) over 12 months
Strong Buy	>20%
Buy	between 12% and 20%
Accumulate	between 6% and 12%
Hold	between 0% and 6%
Sell	0 to <-10%
Neutral	No Rating

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