



## MCX WEEKLY REPORT

17 APR -21 APR 2017

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## ***COMMODITY WEEKLY NEWS UPDATES:***

### ***GOLD:***

Gold futures finished with gains on Friday, but ended well off a five-month high set earlier in the session, as strength in the U.S. dollar and a rebound in stocks cut into the rally that followed U.S. airstrikes on Syria.

Last week, gold prices retreated from five-month highs on Friday as the stronger dollar weighed on the precious metal.

A much weaker-than-expected March jobs report had helped the yellow metal to extend gains, but the yellow metal pulled back later as the dollar rose.

The Federal Reserve might in the future avoid raising interest rates at the same time that it begins the process of shrinking its \$4.5 trillion bond portfolio, prompting only a "little pause", New York Fed President William Dudley said on Friday.

SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, said its holdings fell 0.03 percent to 836.49 tonnes on Friday from 836.77 tonnes.

### ***CRUDE OIL:***

Oil futures settled higher for the fourth session in a row on Friday, extending the rally to the strongest level in around a month after the U.S. fired missiles at a Syrian government air base. Oil pared some of the gains later in the session as concerns about a wider escalation in the region faded and U.S. economic data weighed on global markets. For the week, the U.S. benchmark rose \$1.64, or around 3.1% and at domestic bourse MCX prices surged around 2.30 percent.

Jump came after two US fired 59 Tomahawk cruise missiles at a Syrian air base, which the US said was in retaliation to Bashar al-Assad's alleged use of chemical weapons against his own people. But market participants said the initial knee-jerk reaction to the airstrike may have been overdone given Syria's role as a very minor oil producer and after U.S. officials described the attack as a one-off event that would not lead to wider escalation.

Meanwhile, oil traders continued to focus on the ongoing rebound in U.S. shale production, which could derail efforts by other major producers to rebalance global oil supply and demand remained in focus.

Oilfield services provider Baker Hughes said late Friday that the number of active U.S. rigs drilling for oil rose by 10 last week, the 12th weekly increase in a row. That brought the total count to 672, the most since September 2015.

## **COPPER**

Copper prices continued to step downwards while losing 1.23 percent for the week. Prices were unable to hold above the crucial resistance of Rs.390/kg levels and turned lower as the week progressed. Going forward, counter is likely to follow the prevailing path as prices are trading below its monthly averages and 5day average prices are holding below the 20 day average prices. Also, momentum indicator MACD is showing downward pressure as of now, which could impact prices in negative sense. On the higher side, counter will seek hurdle near Rs.380-382/kg zone whereas selling pressure could drag down prices lower towards Rs.365/kg level support zone. Hence, sell on rise would be preferable strategy for the week.

### **RECOMMENDATION IN ALL:**

SCRIPT NAME	TREND	CLOSING PRICE	RECOMMENDATIONS
GOLD (JUN)	BUY	29409	BUY ON DIPS
SILVER (MAY)	BUY	42571	BUY ON DIPS
CRUDE (APR)	BUY	3420	BUY ON EVERY DIPS
NATURAL GAS (APR)	SELL	207.10	WAIT FOR ENTRY
LEAD (APR)	SELL	144.70	SELL ON HIGHER LEVAL
ZINC (APR)	SELL	168.60	SELL ON RISE
ALUMINIUM (APR)	-	123.10	WILL WAIT FOR ENTRY
COPPER (APR)	SELL	366.20	WAIT AND SELL ON RISE
NICKEL (APR)	SELL	626.70	SELL TGT AROUND 610

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