



## MCX WEEKLY REPORT

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

### ***GOLD:***

Gold slumped to lowest since mid-March on hawkish Fed, falling to the lowest level in around six weeks after the Federal Reserve left the door open to raising interest rates in June. Also on the Comex, silver futures shed 2.9 cents, or about 0.2% to \$16.50 a troy ounce, after touching a four-month low of \$16.41 a day earlier. The Federal Reserve left interest rates unchanged on Wednesday, as was widely expected, and gave a positive assessment of the U.S. economy, suggesting it was still on track for two more rate hikes this year. The Fed said it expects the economy to rebound after hitting a soft patch in the first three months of the year, noting that the labor market looks solid and inflation is running close to its target, setting the stage for a rate hike next month. The focus is now shifting to Friday's U.S. non-farm payrolls report for April, which could reinforce expectations of higher U.S. interest rates in June.

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

Crude futures settled 5% lower on Thursday, wiping out the gains achieved since OPEC and other producers agreed a deal to cut production, as investors' concerns about the glut in crude stockpiles heightened, ahead of the OPEC meeting on May 25. Crude prices plunged to a session low of \$45.31, just shy of the November 30. low of \$45.22, the day OPEC and other producers including Russia agreed to cut output by about 1.8 million barrels per day (bpd) for a period of six-month months until June. Despite, data from the Information Energy Administration (IEA), showing that 99% of the targeted cut has been implemented during the first quarter of 2017, oversupply jitters returned as producers, who are not part of the deal to curb supply, the U.S. in particular, ramped up output, which has dampened OPEC's effort to reduce global supply. Saudi oil chief Khalid al-Falih acknowledged last week, that the first quarter of cuts failed to stem the glut in supply to below the five-year average but hinted at the possibility of extending the supply-cut agreement beyond June.

### ***BASE METAL :***

Copper fell on Thursday, extending losses after its biggest one-day drop in 20 months to head towards its April lows, as rising inventories, worries over cooling demand and a bounce in the dollar all weighed. Inventories in London Metal Exchange warehouses rose nearly 33,000 tonnes on Wednesday, exchange data showed, bringing their increase this week to 64,000 tonnes, or 25 percent. That followed data this week that showed U.S. factory activity slowed in April, while growth in China's manufacturing sector slowed more than expected. A bounce in the dollar after the Federal Reserve played down any threats to this year's planned

interest rate hikes, solidifying expectations of another move in June, pressured commodities across the board. LME copper stocks surged by 31,250 tonnes, data on Wednesday showed, while tin stocks fell another 35 tonnes to their lowest since 1989. One company was holding more than 90 percent of lead warrants and cash contracts. Cancelled warrants, or material earmarked for delivery, unavailable to the market, made up nearly half of total inventories.

**RECOMMENDATION IN ALL:**

SCRIPT NAME	TREND	CLOSING PRICE	RECOMMENDATIONS
GOLD (JUN)	BUY	28072	BUY ON DIPS
SILVER (JUL)	BUY	38018	BUY ON DIPS
CRUDE (MAY)	SELL	2969	SHORT RECOVERY
NATURAL GAS (MAY)	BUY	210.20	WAIT FOR ENTRY
LEAD (MAY)	SELL	140.45	SELL ON RISE
ZINC (MAY)	SELL	166.70	SELL ON RISE
ALUMINIUM (MAY)	-	122.05	WAIT FOR ENTRY
COPPER (JUN)	SELL	361.45	SELL ON HIGHER LEVEL
NICKEL (MAY)	SELL	589.70	SELL ON RISE

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