



MCX WEEKLY REPORT

07 AUG -11 AUG 2017

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COMMODITY WEEKLY NEWS UPDATES:

GOLD/SILVER:

Gold prices steadied as investors digested sharp losses in the previous session and worried about further U.S. rate hikes. The dollar edged lower, giving back some of its gains from Friday as investors consolidated bets before inflation data this week that may signal a turnaround in the currency's weakness this year. Usually a weaker dollar supports commodities such as gold that are priced in the greenback, lowering the cost for buyers outside the United States. Many investors, however, seemed wary of the upcoming data following unexpectedly strong jobs numbers on Friday. In coming weeks gold may get a boost if U.S. politicians opt for a "clean" raising of the debt ceiling, without linking it to spending or tax provisions. If the Republicans push for an easy, light version of the debt ceiling legislation, it has implications for the U.S. deficit and that will feed back into another positive story for gold. Gold has largely been trapped in a broad range between \$1,200 and \$1,300 this year. Also eroding support for gold on Monday was a rise by world equities to record highs following better-than-expected company earnings and economic data from the United States.

CRUDE OIL:

Oil prices edged down, pressured by worries over high production from OPEC and the United States. Brent and WTI both stood more than \$1 below the levels hit last week, which marked their highest since late May, when oil producers, led by the Organization of the Petroleum Exporting Countries, had extended a deal to reduce output by 1.8 million barrels per day (bpd) until the end of next March. Officials from a joint OPEC and non-OPEC technical committee are meeting in Abu Dhabi to discuss ways to boost compliance with the deal. The doubts about the OPEC production deal outweighed the impact of a protest at Libya's Sharara oilfield, which led to a brief shutdown starting late on Sunday. The country's National Oil Corp. said production at the 270,000 bpd field was restarting on Monday.

BASE METAL:

Copper gained as a rally in Chinese steel and iron ore prices brightened the outlook for growth and industrial demand in the world's largest metals consumer. Chinese rebar steel futures surged as much as 7 percent to their highest in more than four years on expectations of reduced supply in the winter due to Beijing-imposed capacity curbs. It's a combination of (positive) sentiment around China that coincides with a realisation that the copper market balance has been on a

knife edge for the last year. Disruptions on the supply side have left limited room for error. Admittedly steel and iron ore price gains are more to do with capacity curtailment but its capacity curtailment in the context of China looking to ensure a healthy price for its industrial commodities. China earlier this year ordered steel and aluminium producers in 28 cities to slash output during winter as it fights smog. Last week, the key steel producing area of Tangshan and other parts of Hebei province said they will implement the order.

RECOMMENDATION IN ALL:

SCRIPT NAME	TREND	CLOSING PRICE	RECOMMENDATIONS
GOLD (OCT)	BEARISH	28457	SELL ON RISE
SILVER (SEP)	BEARISH	37271	SELL ON RISE
CRUDE (AUG)	BULLISH	3144	BUY IN DIPS
NATURAL GAS (AUG)	BEARISH	179.40	SELL ON RISE
LEAD (AUG)	BULLISH	150.85	BUY IN DIPS
ZINC (AUG)	BULLISH	183.25	BUY IN DIPS
ALUMINIUM (AUG)	BULLISH	125.55	BUY IN DIPS
COPPER (AUG)	BULLISH	410.55	WAIT AND BUY IN EVERY DIPS
NICKEL (AUG)	BULLISH	662.70	BUY IN DIPS

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