Bullion

Gold

On Monday, spot gold prices rose by 0.4 percent to close at $1233.2 per ounce as prices edged higher to a two-week peak and the dollar slid to a six-week low after a G20 weekend summit dominated by the U.S. administration's protectionist stance.

The precious metal has been rising since Wednesday, when the dollar dropped after the Federal Reserve raised U.S. interest rates but stopped short of predicting a sharper acceleration in monetary tightening over the next two years.

Markets had been volatile as FBI Director James Comey spoke on Monday, confirming the agency was investigating possible Russian government efforts to interfere in the 2016 U.S. election including any links between President Donald Trump's campaign and Moscow.

On the MCX, gold prices traded flat at Rs.28505 per 10 gms.

Silver

Spot silver prices rose by half a percent on Monday to close at $17.4 per ounce in line with rise in gold prices although the base metals pack remain under pressure.

On the MCX, silver prices rose by 0.1 percent to close at Rs.40869 per kg.

Outlook

We expect gold prices to trade higher today on account of uncertain global environment and US move towards trade protectionism in the G20 meeting. Besides, gradual rate hikes in 2017 will further act as a positive factor for yellow metal.

On the MCX, gold prices are expected to trade higher today, international markets are trading lower by half a percent at $1228 per ounce.

Technical Outlook — valid for March 21, 2017

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD ($/OZ)	1221/1214	1233/1240
MCX GOLD APR'17 (Rs/10GMS)	28370/28200	28650/28800
NCDEX GOLD HEDGE MAR'17 (Rs/KG)	25680/25530	25940/26070
SPOT SILVER ($/OZ)	17.20/16.90	17.40/17.55
MCX SILVER MAY'17 (Rs/KG)	40400/40000	41100/41400

Market Highlights (% change)

as on Mar 20, 2017

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/$ (Spot)	65.3	0.20	1.3	2.6	1.8
Euro/$ (Spot)	1.1	0.01	0.8	0.6	-1.8
Dollar Index	100.2	0.1	-1.1	-0.7	26.2
NIFTY	9126.9	-0.36	#N/A	4.0	21.7
SENSEX	29518.7	-0.44	#N/A	4.3	61.4
DJIA	20905.9	-0.04	0.1	0.8	18.6
S&P	2373.47	-0.2	0.0	1.1	15.0

Gold (% change)

as on Mar 20, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
GOLD (SPOT)	1233.2	0.39	2.5	-0.5	16.3
GOLD (SPOT - MUMBAI)	28500.0	-0.05	#N/A	-2.9	13.5
COMEX	1226.4	-0.58	2.0	-0.5	-2.2
MCX(APR'17)	28505.0	-0.01	0.9	-3.1	14.1

(Comex, Gold spot in $ per ounce, MCX, Gold spot Mumbai in Rs/10 gms) Source: Reuters

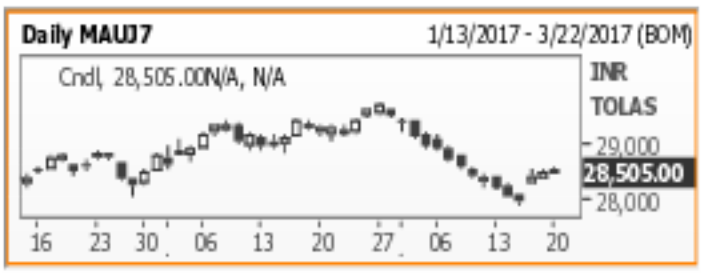
Silver (% change)

as on Mar 20, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
SILVER (SPOT)	17.4	0.5	2.8	-3.7	25.6
SILVER (SPOT - MUMBAI)	41400.0	0.2	#N/A	-4.2	#N/A
COMEX	17.4	0.5	2.6	-3.4	10.0
MCX (MAY'17)	40869.0	-0.10	1.1	-5.0	22.4

(Comex in $ per ounce, MCX, Silver spot in Rs/kg) Source: Reuters

MCX Gold Chart



Source: Reuters

Energy

Crude Oil

WTI oil prices plunged 1.1 percent on Monday to close at $48.2/bbl while MCX oil prices declined by 1.1 percent to close at Rs.3161 per barrel.

Prices witnessed pressure as supply still remains a concern with Libya's major oil ports of Es Sider and Ras Lanuf resuming operations and preparing to export crude after a two-week halt in shipments due to military clashes in the holder of Africa's largest crude reserves.

Also, crude oil stocks have witnessed gains for nine weeks in a row, to record high of 528 million barrels, thereby igniting concerns that the supply cut by OPEC will be overpowered by rising supplies from the US. However, they showed a surprise drawdown in U.S. crude inventories last week and data from the International Energy Agency (IEA) suggesting OPEC cuts could create a crude deficit in the first half of 2017.

OPEC reported a rise in global crude stocks and a surprise output jump from its biggest member, Saudi Arabia, further pressuring prices that have now erased nearly all gains since OPEC announced output cuts in November.

Outlook

We expect oil prices to trade lower today on account of high inventory and doubt over commitment by the OPEC members to extend its compliance on output cut.

On the MCX, oil prices are expected to trade lower today, international markets are trading higher by 0.3 percent at $48.4 per barrel.

Technical Outlook — valid for March 21, 2017

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL ($/BBL)	48.30/47.50	49.85/50.80
MCX CRUDE MAR'17 (RS/BBL)	3170/3120	3270/3330
BRENT CRUDE MAR'17 (RS. BBL)	3330/3280	3430/3490

Market Highlights - Crude Oil (% change) as on Mar 20, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	50.3	0.4	1.8	-6.6	37.2
NYMEX CRUDE (APR'17)	48.2	-1.1	-0.4	-9.6	22.3
ICE BRENT CRUDE (FEB'17)	51.6	-0.3	0.5	-7.2	41.6
MCX CRUDE (MAR'17)	3161.0	-1.1	-1.3	-11.9	29.4

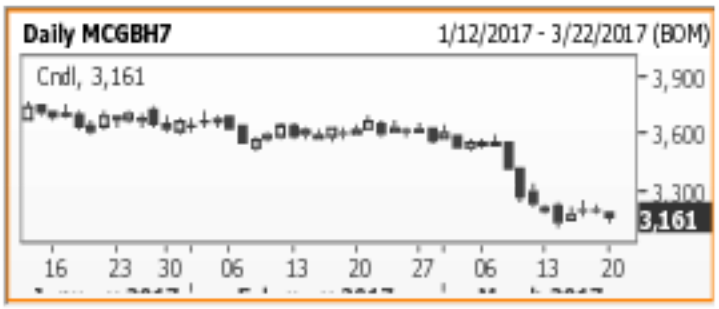
(Brent & NYMEX Crude in $ per ounce, MCX Crude in Rs/bbl) *Source: Reuters*

Market Highlights - Natural Gas (% change) as on Mar 20, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	3.08	3.92	2.16	8.66	36.00
MCX NG (MAR'17)	197.50	2.17	-2.23	2.44	33.81

(NYMEX NG in $/MMbtu, MCX NG in Rs/MMBtu) *Source: Reuters*

MCX Crude Oil Chart



Source: Reuters

Base Metals

LME base metals except Aluminium traded lower yesterday as risk aversion mode in the markets turned higher after G20 finance ministers dropped a pledge to keep global trade free and open, thereby increasing protectionism fears.

MCX base metals traded lower on Monday in line with international trends.

Copper

LME Copper prices fell by 0.9 percent to close at $5880/t as supply disruption concerns are expected to ease soon following comments by Escondida mine workers union after meeting with the company on Monday that it was open to further conversations that could lead to reopening negotiations.

Also, global risk appetite took a backseat after the G20 nations dropped tougher language from last year that vowed to "resist all forms of protectionism", as the US refused to budge. Steven Mnuchin, US Secretary of Treasury, signalled that US policy would follow the campaign promises made by President Donald Trump to put "America first" and review trade agreements to seek better deals for Washington.

Besides, Shanghai inventories are near their one year high levels while stocks at the LME have also surged by a whopping 66 percent in Mar'17.

MCX copper prices traded lower by 1.4 percent to close at Rs.385.4 per kg on Monday.

Outlook

LME Copper prices are trading lower currently by 1.1 percent currently at $5801.5/t. expectation of easing strike at the Esondida mine in Chile along with recent comments by Chicago Fed President Charles Evans on tightening US Monetary policy will hurt prices.

We expect MCX copper prices to trade lower today in line with international trends.

Technical Outlook — valid for March 21, 2017

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER APR'17	382/379	388/391
MCX ZINC MAR'17	184.50/183	187.50/189
MCX LEAD MAR'17	147/146	149/150
MCX ALUMINUM MAR'17	124/123	126/127
MCX NICKEL MAR'17	658/650	672/681

Market Highlights – Base Metals (% change) as on Mar 20, 2017

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper (3 month)	5880.0	-0.9	1.4	-2.0	24.2
MCX Copper (APR'17)	385.4	-1.4	0.0	-4.2	21.0
LME Aluminum(3 month)	1917.0	0.0	2.0	0.7	25.0
MCX Aluminum (MAR'17)	124.9	0.0	0.8	-1.7	23.5
LME Nickel(3 month)	10180.0	-0.9	-0.3	-7.9	17.3
MCX Nickel (MAR'17)	664.0	-1.2	-1.7	-10.2	15.5
LME Lead(3 month)	2270.0	-1.1	-0.1	-1.2	26.8
MCX Lead (MAR 17)	147.9	-1.4	-1.4	-3.6	24.1
LME Zinc(3 month)	2865.5	-0.9	4.0	0.0	75.9
MCX Zinc (MAR'17)	186.2	-1.2	2.7	-3.0	73.6

Source: Reuters

LME Inventories in tonnes

COMMODITY	17/3/17	16/3/2017	CHG	%CHG
Copper	332975	337600	-4625	-1.37%
ALUMINIUM	1985875	1996000	-10125	-0.51%
NICKEL	382824	384258	-1434	-0.37%
ZINC	375675	376475	-800	-0.21%
LEAD	190425	190425	0	0.00%

Source: Reuters

MCX Copper Chart

Source: Reuters

Economic indicators to be released on 21-Mar-17

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
President Trump Speaks	US	5:00am	-	-	-	Medium
CPI y/y	UK	3:00pm	-	2.1%	1.8%	High
FOMC Member Dudley Speaks	US	3.30pm	-	-	-	Medium
ECOFIN Meetings	Euro	All Day	-	-	-	Medium
Current Account	US	6:00pm	-	-129B	-113B	Medium

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