

Daily Commodity Report as on Monday, April 10, 2017



"Growth has not limit, keep revising your vision.
Only when you can dream it, you can do it."





Market Round up

	Open	High	Low	Close	% Cng	OI
Precious Metals						
Gold	28884	29000	28661	28684	-0.13	6928
Silver	42340	42432	41128	41379	-1.70	13375

Base Metal						
Alum.	125.9	126.05	123.9	125.75	0.00	2329
Copper	379	379.4	370.6	376.05	-1.21	15395
Lead	148.55	149	143.15	145.15	-2.29	2338
Nickel	653	659	641	656.8	0.41	27400
Zinc	175.95	176.15	170.55	171.95	-2.11	5178

Energy						
Crude	3364	3399	3320	3359	0.24	12201
Nat. Gas	214.2	214.7	209.4	210	-2.19	7012

Spices						
Cardamom	1300.8	1300.8	1265.7	1277.1	-2.12	573
Turmeric	6336	6408	6254	6278	-0.57	16375
Jeera	19370	19630	18810	19115	-1.29	16131
Dhaniya	7940	7980	7609	7609	-4.00	51350

Cereals						
Wheat	1671	1671	1642	1665	-0.60	9630

Oil and Oilseeds & Others						
Soyabean	2936	2943	2901	2927	-0.61	117080
Ref. Oil	625.35	625.35	615.35	622.85	-0.55	59460
CPO	521.9	524.4	515.9	521.7	-0.34	6870
RMSeed	3938	3951	3880	3892	-1.37	60700
Menthol	995.9	998.3	988.6	994.5	-0.13	2301
Cotton	20900	20900	20630	20650	-1.20	7262

Currency						
USDINR	64.82	64.85	64.32	64.41	-0.50	1530868
EURINR	69.09	69.11	68.50	68.55	-0.85	66179
GBPINR	80.88	80.94	80.00	80.09	-0.80	47990
JPYINR	58.72	58.76	58.18	58.25	-0.28	17796

Gold prices gave up most of its gains as the dollar rose and safe haven demand ebbed.

Silver dropped as the safe haven demand faded and the dollar index climbed to three-week highs.

Crude oil prices climbed after the U.S. launched cruise missiles at an airbase in Syria, sparking concerns of an escalation in the Syrian civil war.

Copper fell after a U.S. air strike on Syria prompted investors to move out of riskier assets.

Zinc dropped as supply tightness eased recently after restarts at mines driven by high zinc prices

Nickel recovered on short covering as nickel ore supply remains tight, which is leading to a significant output cut at nickel smelters

Natural gas prices dropped on profit booking as warmer than normal weather is expected to cover most of the United States.

Ref soyoil prices ended with losses tracking weakness in spot demand on oversupply woes.

Mentha oil dropped amid of reports that carryover stocks are huge against the current consumption level.

Soyabean dropped on higher arrivals in local mandis and hope of increasing demand for soymeal from feed industry.

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Turmeric prices dropped due to higher supplies from the producing regions.

Jeera dropped on profit booking after prices gained on a lower output forecast and strong demand from overseas buyers.



MCX Gold Jun 2017

TRADING IDEA

OPEN	28884	SUP-2	28443	Gold trading range for the day is 28443-29121.
HIGH	29000	SUP-1	28564	Gold prices gave up most of its gains as the dollar rose and safe haven demand ebbed.
LOW	28661	P.P.	28782	Prices strengthened earlier after U.S. launched cruise missiles at an airbase in Syria, sparking concerns of an escalation in the Syrian civil war.
CLOSE	28684	RES-1	28903	Gold reserves value fell to \$73.74 billion at the end of March, from \$74.376 billion at end-February, data published on the People's Bank of China website also showed.
% CNG	-0.13	RES-2	29121	SELL GOLD JUN 2017 @ 28700 SL 28850 TGT 28550-28450.MCX



Gold prices gave up most of its gains as the dollar rose and safe haven demand ebbed after earlier prices rose as U.S. jobs data dampened expectations that the U.S. Federal Reserve will raise interest rates. The precious metal strengthened after the U.S. launched cruise missiles at an airbase in Syria, sparking concerns of an escalation in the Syrian civil war. U.S. President Donald Trump said he ordered missile strikes against a Syrian airfield from which a deadly chemical weapons attack was launched. The air strike came during a two-day summit between Trump and Chinese President Xi Jinping which, on Thursday, had a strong focus on trade and North Korea's military program. Trump had warned that he would be ready to act unilaterally to address North Korea's nuclear program if China does not step up to help in the matter. Gold demand in Asia remained soft this week, with premiums in China notching a slight uptick and those in India remaining unchanged, as higher prices kept physical buyers at bay. Indian demand for the yellow metal fell primarily due to a rally in overseas rates, though an appreciating rupee capped upside in local prices. Dealers in India were charging a premium of up to \$1 an ounce this week over official domestic prices, unchanged from the last week. Gold reserves value fell to \$73.74 billion at the end of March, from \$74.376 billion at end-February, data published on the People's Bank of China website also showed. In top consumer China, premiums were around \$10 to \$12 per ounce against the international benchmark, up from last week's to \$8 to \$10. Technically now Gold is getting support at 28564 and below same could see a test of 28443 level, And resistance is now likely to be seen at 28903, a move above could see prices testing 29121.

MCX Silver May 2017

TRADING IDEA

OPEN	42340	SUP-2	40342	Silver trading range for the day is 40342-42950.
HIGH	42432	SUP-1	40860	Silver dropped as the safe haven demand faded and the dollar index climbed to three-week highs.
LOW	41128	P.P.	41646	U.S. employers added the fewest number of workers in 10 months in March which is most attractive to investors in a low interest rate environment.
CLOSE	41379	RES-1	42164	The Bureau of Labor Statistics reported, Nonfarm payrolls grew by just 98,000 in March, well below expectations of 180,000.
% CNG	-1.70	RES-2	42950	SELL SILVER MAY 2017 @ 41500 SL 41850 TGT 41280-41050.MCX



Silver on MCX settled down -1.7% at 41379 as the safe haven demand faded and the dollar index climbed to three-week highs. Earlier in the day prices rallied as investors looking for safety piled into the precious metal after the United States fired dozens of cruise missiles at a Syrian airbase, escalating tensions with Russia and Iran. Russia, a staunch ally of Syria, said the strike had seriously damaged relations between Washington and Moscow after the U.S. retaliated over a deadly chemical attack on a rebel-held area. U.S. employers added the fewest number of workers in 10 months in March which is most attractive to investors in a low interest rate environment. The Bureau of Labor Statistics reported, Nonfarm payrolls grew by just 98,000 in March, well below expectations of 180,000, but the unemployment rate fell to a 10-year low of 4.5%. Bullion is often used as a hedge against political and financial uncertainty and security risks. It has benefited alongside other assets considered safe, such as the yen and U.S. Treasury bonds. Gold was also underpinned by investors looking for safety after the United States fired cruise missiles at a Syrian air base, escalating tensions with Russia and Iran. Investors were cautious ahead of the meeting between U.S. President Donald Trump and Chinese President Xi Jinping, but Trump said on Friday he had made progress in talks and expected them to overcome many problems. Technically market is under fresh selling as market has witnessed gain in open interest by 9.82% to settled at 13375 while prices down -714 rupees, now Silver is getting support at 40860 and below same could see a test of 40342 level, And resistance is now likely to be seen at 42164, a move above could see prices testing 42950.



MCX Crudeoil Apr 2017

TRADING IDEA

OPEN	3364	SUP-2	3280	Crudeoil trading range for the day is 3280-3438.
HIGH	3399	SUP-1	3319	Crude oil prices climbed after the U.S. launched cruise missiles at an airbase in Syria, sparking concerns of an escalation in the Syrian civil war.
LOW	3320	P.P.	3359	Crude prices had also strengthened this week amid increasing optimism that OPEC's supply curbs are beginning to rebalance the market.
CLOSE	3359	RES-1	3398	Shipped oil flows also remain higher than at any time during the second half of 2016, before the OPEC-led cuts were implemented.
% CNG	0.24	RES-2	3438	BUY CRUDEOIL APR 2017 @ 3335 SL 3300 TGT 3375-3420.MCX



Crudeoil on MCX settled up 0.24% at 3359 after the U.S. launched cruise missiles at an airbase in Syria, sparking concerns of an escalation in the Syrian civil war. U.S. President Donald Trump said he ordered missile strikes against a Syrian airfield from which a deadly chemical weapons attack was launched. Crude prices had also strengthened this week amid increasing optimism that OPEC's supply curbs are beginning to rebalance the market. OPEC agreed in November last year to curb its output by about 1.2 million barrels per day between January and June. Russia and 10 other non-OPEC producers have agreed to jointly cut by an additional 600,000 barrels per day. In total, they agreed to reduce output by 1.8 million barrels per day to 32.5 million for the first six months of the year. A joint committee of ministers from OPEC and non-OPEC oil producers will meet in late April to present its recommendation on the fate of the pact. A final decision on whether or not to extend the deal beyond June will be taken by the oil cartel on May 25. In oil supply fundamentals, markets remained oversupplied, even with efforts led by the Organization of Petroleum Exporting Countries (OPEC) to cut supplies to prop up prices. Oil trading data in Thomson Reuters Eikon shows that globally shipped crude volumes stood at 1.4 billion barrels in March (around 45.6 million bpd), up from 1.1 billion barrels in February, although on a daily basis the figure was similar to February's 45.5 million bpd due to that month's fewer days. Technically now Crudeoil is getting support at 3319 and below same could see a test of 3280 level, And resistance is now likely to be seen at 3398, a move above could see prices testing 3438.

MCX Copper Apr 2017

TRADING IDEA

OPEN	379.0	SUP-2	366.6	Copper trading range for the day is 366.6-384.2.
HIGH	379.4	SUP-1	371.4	Copper fell after a U.S. air strike on Syria prompted investors to move out of riskier assets.
LOW	370.6	P.P.	375.4	The discount of LME cash copper to the three-month contract closed at \$31.25 a tonne, close to the biggest in four years, indicating adequate supply.
CLOSE	376.1	RES-1	380.2	China's foreign exchange reserves rose slightly in March, though by a bit less than the market expected.
% CNG	-1.21	RES-2	384.2	SELL COPPER APR 2017 @ 380.00 SL 383.00 TGT 377.50-374.50.MCX



Copper on MCX settled down -1.21% at 376.05 after a U.S. air strike on Syria prompted investors to move out of riskier assets and the biggest sell-off in Chinese steel futures in two months spilled over into industrial metals. Base metals came under pressure after the most-active rebar on the Shanghai Futures Exchange closed down 4.9 percent at 3,038 yuan (\$440) a tonne, its sharpest fall since Feb. 3, on concerns of rising steel supply and tepid demand. The discount of LME cash copper to the three-month contract closed at \$31.25 a tonne, close to the biggest in four years, indicating adequate supply of refined metal in the market. German industrial output surged in February and the trade balance swelled in what the Economy Ministry said was an "extraordinarily" robust start to the year. China's foreign exchange reserves rose slightly in March, though by a bit less than the market expected, as capital control measures and a pause in the dollar's rally helped contain capital outflows. Reserves rose \$3.96 billion during March to total \$3.009 trillion, compared with an increase of \$6.92 billion in February, when reserves rebounded to \$3.005 trillion, rising for the first time in eight months. China has tightened rules on moving capital outside the country in recent months as it seeks to support the yuan currency and stem a slide in its foreign exchange reserves. It burned through nearly \$320 billion of reserves last year but the yuan still fell about 6.5 percent against the dollar, its biggest annual drop since 1994. Technically market is under fresh selling as market has witnessed gain in open interest by 14.11% to settled at 15395, now Copper is getting support at 371.4 and below same could see a test of 366.6 level, And resistance is now likely to be seen at 380.2, a move above could see prices testing 384.2.



MCX Zinc Apr 2017

TRADING IDEA

OPEN	176.0	SUP-2	167.3	Zinc trading range for the day is 167.3-178.5.
HIGH	176.2	SUP-1	169.7	Zinc dropped as supply tightness eased recently after restarts at mines driven by high zinc prices
LOW	170.6	P.P.	172.9	The discount of LME cash zinc to the three-month contract shrank to \$23.80 a tonne from \$27.75 earlier in the week.
CLOSE	172.0	RES-1	175.3	Votorantim saying Cajamarquilla in Peru would resume operations at 50% of capacity after a period of suspension due to floods.
% CNG	-2.11	RES-2	178.5	SELL ZINC APR 2017 @ 174.50 SL 176.00 TGT 171.80-170.00.MCX



Zinc on MCX settled down -2.11% at 171.95 as supply tightness eased recently after restarts at mines driven by high zinc prices. The discount of LME cash zinc to the three-month contract shrank to \$23.80 a tonne from \$27.75 earlier in the week, but stayed around its largest since November 2015. Supply-side developments may also be at play, with Votorantim saying Cajamarquilla in Peru would resume operations at 50% of capacity after a period of suspension due to floods. Refined zinc supply remains resilient, especially in China where refined production rose by 4.4% year-on-year in the first two months of 2017. But Chinese smelters may prove less resilient in the coming months after they announced that 540,000 tpy of capacity would be put on maintenance for unspecified period. The LME spec positioning in zinc looks fairly elevated considering that the net spec length – at 78,473 lots as of March 24 – is at 79% of the all-time record (99,251 lots) from 2015. So this bout of long liquidation should not surprise investors. The ILZSG estimates that the market was in a deficit of 27,400 tonnes in January 2017 compared with a surplus of 6,000 tonnes in January 2016. The zinc market was in a deficit of 268,000 tonnes in 2016 compared with a surplus of 189,000 tonnes in 2015. The tighter fundamentals were driven by the demand side rather than the supply side, essentially owing to a notable surge in US apparent demand. Technically market is under fresh selling as market has witnessed gain in open interest by 10.08% to settled at 5178 while prices down -3.7 rupees, now Zinc is getting support at 169.7 and below same could see a test of 167.3 level, And resistance is now likely to be seen at 175.3, a move above could see prices testing 178.5.

MCX Nickel Apr 2017

TRADING IDEA

OPEN	653.0	SUP-2	634.3	Nickel trading range for the day is 634.3-670.3.
HIGH	659.0	SUP-1	645.6	Nickel recovered on short covering as nickel ore supply remains tight, which is leading to a significant output cut at nickel smelters
LOW	641.0	P.P.	652.3	According to China Customs, China imported a total of 300,000 tonnes of nickel ore from Indonesia during the first two months of 2017.
CLOSE	656.8	RES-1	663.6	Indonesian nickel ore are estimated to keep flowing into China and the monthly supplying volumes from the country to China will reach around 100,000 tonnes.
% CNG	0.41	RES-2	670.3	BUY NICKEL APR 2017 @ 650.00 SL 640.00 TGT 662.00-672.00.MCX



Nickel on MCX settled up 0.41% at 656.8 on short covering as nickel ore supply remains tight, which is leading to a significant output cut at nickel smelters. Meanwhile, stainless steel demand shows no signs of improvement in April, and de-stocking of hot and cold-rolled products pressed down the market, a sign of weak end-user demand. Indonesia's ore export quota has been closely watched after its new export policy decision. According to China Customs, China imported a total of 300,000 tonnes of nickel ore from Indonesia during the first two months of 2017. Indonesian nickel ore are estimated to keep flowing into China before the quota decision, and the monthly supplying volumes from the country to China will reach around 100,000 tonnes after learning from local nickel ore firms. Nickel ore supply remains tight, which will lead to a significant output cut at nickel smelters, mainly NPI producers, in April. There are only limited amounts of low-grade ore smelting capacity in Indonesia. Application of low-grade nickel ore is limited in Indonesia, and Antam, recognized by the market, is the only one eligible for exports. In China's domestic nickel market, downstream producers are wary of purchasing refined nickel as the 2017 Chinese New Year holiday is nearing. After New Year holiday, goods from bonded area flowed into domestic market, weighing down nickel prices. Technically market is under short covering as market has witnessed drop in open interest by -4.96% to settled at 27400 while prices up 2.7 rupees, now Nickel is getting support at 645.6 and below same could see a test of 634.3 level, And resistance is now likely to be seen at 663.6, a move above could see prices testing 670.3.



NCDEX Jeera May 2017

TRADING IDEA

OPEN	19370	SUP-2	18365	Jeera trading range for the day is 18365-20005.
HIGH	19630	SUP-1	18740	Jeera dropped on profit booking after prices gained on a lower output forecast and strong demand from overseas buyers.
LOW	18810	P.P.	19185	Furthermore, ample stocks position following higher supplies from the producing belt too fuelled the downtrend.
CLOSE	19115	RES-1	19560	NCDEX accredited warehouses jeera stocks dropped by 93 tonnes to 639 tonnes.
% CNG	-1.29	RES-2	20005	SELL JEERA MAY 2017 @ 19200 SL 19350 TGT 19050-18950.NCDEX



Jeera on NCDEX settled down -1.29% at 19115 on profit booking after prices gained on a lower output forecast and strong demand from overseas buyers. Furthermore, ample stocks position following higher supplies from the producing belt too fuelled the downtrend. A recent assessment by the Federation of Indian Spices Stakeholders in Udaipur, Rajasthan, has forecast India's cummin seed production at 5.83 million bags of 40 kg each (233,280 tonnes) this year against 4.20 million bags of 40 kg each (168,320 tonnes) last year. The latest spell of rainfall last week is estimated to have spoiled 30 per cent of the standing crop. Production estimates for 2016-17 are lower due to a decline in the jeera acreage in Gujarat. The Centre pegs production of jeera in the state at 221,000 tonnes, down 11 per cent from last year's output of 238,000 tonnes. The output is far lower than the normal of 346,000 tonnes in Gujarat in 2013-14. Acreage has fallen to 279,000 hectares this year from 286,000 hectares earlier. According to data, 33,110 tonnes of jeera arrived in the markets between March 1 and March 20, against 34,107 tonnes during the same period last year. Industry players are expecting exports will cross 120,000 tonnes this year against 94,352 tonnes a year ago. Jeera exports increased 36.7 per cent to 93,724 tonnes during April- December 2016-17. Technically market is under fresh selling as market has witnessed gain in open interest by 1.68% to settled at 16131 while prices down -250 rupees, now Jeera is getting support at 18740 and below same could see a test of 18365 level, And resistance is now likely to be seen at 19560, a move above could see prices testing 20005.

NCDEX Turmeric May 2017

TRADING IDEA

OPEN	6336	SUP-2	6160	Turmeric trading range for the day is 6160-6468.
HIGH	6408	SUP-1	6220	Turmeric prices dropped due to higher supplies from the producing regions.
LOW	6254	P.P.	6314	Many traders and farmers expected good sales of turmeric during the peak period, which started a month ago.
CLOSE	6278	RES-1	6374	NCDEX accredited warehouses turmeric stocks gained by 165 tonnes to 2326 tonnes.
% CNG	-0.57	RES-2	6468	SELL TURMERIC MAY 2017 @ 6350 SL 6450 TGT 6220-6100.NCDEX



Turmeric on NCDEX settled down -0.57% at 6278 due to higher supplies from the producing regions. Though, some losses were capped on rising exports demand at the spot market. Many traders and farmers expected good sales of turmeric during the peak period, which started a month ago. But, this year, for the first time in recent history, both farmers and traders are in agony due to poor production and tepid demand from North India. Due to monsoon failure, turmeric cultivation has been affected. Some farmers are using open and bore wells, while some others are buying water at exorbitant rates to save their standing turmeric crop, but the yield was very poor. The upcountry demand for turmeric has been very low, as the traders in North India have started sourcing turmeric from other locations such as Assam, Warangal and Nizamabad. So the local turmeric prices were slashed and sales remained very low. Around 4,000 bags of turmeric — including 3,200 bags of new turmeric — arrived at the market here. Buyers purchased 80 per cent of the new turmeric and 30 per cent of the old turmeric for their local demand. At Erode market sources reported arrivals at 8000 quintals, up by 3000 quintals as against previous day. At Nizamabad market estimated market supply was at 15000 quintals, lower by 25000 quintals as compared to previous day. Technically market is under fresh selling as market has witnessed gain in open interest by 18.87% to settled at 16375 while prices down -36 rupees, now Turmeric is getting support at 6219 and below same could see a test of 6159 level, And resistance is now likely to be seen at 6373, a move above could see prices testing 6467.



MCX Menthaoil Apr 2017

TRADING IDEA

OPEN	995.9	SUP-2	984.1	Menthaoil trading range for the day is 984.1-1003.5.
HIGH	998.3	SUP-1	989.3	Mentha oil spot at Sambhal closed at 1125.50 per 1kg. Spot prices was down by Rs.-8.50/-
LOW	988.6	P.P.	993.8	Mentha oil dropped amid of reports that carryover stocks are huge against the current consumption level.
CLOSE	994.5	RES-1	999.0	Also prices trading with weakness leading to a glut with synthetic mint oil garnering larger share of the market.
% CNG	-0.13	RES-2	1003.5	SELL MENTHA OIL APR @ 1003 SL ABV 1012 TGT 993.50-984. MCX (STBT)



Menthaoil on MCX settled down -0.13% at 994.5 amid of reports that carryover stocks are huge against the current consumption level, while the stocks is also been sufficient. Short term outlook remain weak as first of all prices are trading below 1000 level mark while the huge carryover stock of mentha oil and also prices trading with weakness leading to a glut with synthetic mint oil garnering larger share of the market. Sentimental weakness will continuous for mentha demand as the key consumption sector (Tobacco products) is witnessing slowdown in demand. Prices had been under pressure since March after Yogi Adityanath, the Chief Minister of Uttar Pradesh, has banned paan chewing and gutka or tobacco in all government offices in the state. Now on domestic side traders had estimated earlier total production in the range of 35000-37000 tons for this year, and currently it appears that the average estimate might be reduced to 30000 tons due to lower plantings on falling prices in the last two years. Trade sources estimate that total area under Mentha planting has dropped by 20% to 1.75 lakh ha this season resulting into a proportionate fall in Mentha oil production this year. However, a pick up in sowing over last couple of weeks have ensured prices falling for the commodity, as low demand further pressurized market sentiments. Technically market is under long liquidation as market has witnessed drop in open interest by -0.78% to settled at 2301 while prices down -1.3 rupees, now Menthaoil is getting support at 989.3 and below same could see a test of 984.1 level, And resistance is now likely to be seen at 999, a move above could see prices testing 1003.5.

DAILY MARKET LEVEL FOR METAL AND ENERGY

COMMODITIES	GOLD	SILVER	CRUDE	NAT.GAS	COPPER	ZINC	NICKEL	ALUMINUM	LEAD
CLOSE	28684	41379	3359	210	376.05	171.95	656.8	125.75	145.2
	29242	43468	3477	218.7	389.0	180.9	681.6	128.6	154.4
RESISTANCE	29121	42950	3438	216.7	384.2	178.5	670.3	127.3	151.7
	28903	42164	3398	213.4	380.2	175.3	663.6	126.5	148.5
P. POINT	28782	41646	3359	211.4	375.4	172.9	652.3	125.2	145.8
	28564	40860	3319	208.1	371.4	169.7	645.6	124.4	142.6
SUPPORT	28443	40342	3280	206.1	366.6	167.3	634.3	123.1	139.9
	28225	39556	3240	202.8	362.6	164.1	627.6	122.3	136.7
OI	6928	13375	12201	7012	15395	5178	27400	2329	2338
TREND	Negative	Negative	Positive	Negative	Negative	Negative	Positive	Range Bound	Negative
SPREAD	131	485	39.00	5.20	4.50	0.70	5.80	0.40	0.55



NEWS YOU CAN USE

Eurozone banking landscape continues to resemble a collection of banking systems highly exposed to their domestic economies with limited cross-border private risk-sharing, European Central Bank Executive Board member Peter Praet said. National considerations continue to affect supervisory decisions in the present incomplete framework, the policymaker said in a contribution for the magazine of the Eurofi conference in Malta. The fact that the euro area is not considered as a single jurisdiction may result in applying higher capital buffers to euro area's globally systemically important banks, he warned. "The current situation, where supervision is common, but the consequences of potential bank failures are still predominantly national, should not last," Praet said. He noted that both supervisory responsibility and the fiscal backstop need to be at the European level under the banking union, to underpin durably confidence in the area-wide financial system. "The Banking Union is both an objective and a process of fundamental structural changes in the euro area's financial architecture," Praet said. "It is now urgent to agree on an ambitious timetable for its implementation," he added.

Developing Asia is on track to post its slowest annual growth in 16 years this year as it adjusts to China's rebalancing and possible spillovers from global policy uncertainty, the Asian Development Bank said. The Manila-based lender kept at 5.7 percent this year's growth forecast for developing Asia, which groups 45 countries in the Asia-Pacific region. That would be the region's weakest expansion since it grew 5.0 percent in 2001. Next year, developing Asia should again grow by 5.7 percent, the ADB said in its 2017 Asia Development Outlook report. "Developing Asia continues to drive the global economy even as the region adjusts to a more consumption-driven economy in China and looming global risks," said Yasuyuki Sawada, the ADB's chief economist. Sawada said the region faces "risks from uncertain policy direction in the advanced economies, including the pace of interest rate normalization in the United States". "While short-term risks seem manageable, regional policymakers should remain vigilant to respond to possible spillover through capital outflows and exchange rate movements," Sawada said.

Food Corporation of India (FCI) faces stiff competition from private entities in Madhya Pradesh on wheat procurement. The market price is presently above the government's Minimum Support Price (MSP). This has led the government-owned entity to set up camps near major harvesting centres, to ease farmers' transport and sale issues. "There is neck-and-neck competition between FCI and private players in Madhya Pradesh, where procurement started a week ago. We believe only half the quantity offered by farmers has come to us," said a senior FCI official in the state. The agency has procured about 500,000 tonnes till now. FCI says it had procured 3.99 million tonnes of wheat from MP in the 2016-17 rabi marketing season (RMS), 17.4 per cent of the 22.96 mt from across the country. For the RMS of 2017-18, the government's target for FCI in the state is 8.5 mt. This, the official felt, would not be achieved, with private agencies offering a higher price. "So, we started setting up purchase centres near the major production belt. So, farmers supply to us, though we offer Rs 75-100 a quintal less, as they get timely payment. Also, farmers do not want to take a transportation risk in terms of wheat supply to the mandis (wholesale markets). They are not sure of the selling price there, as that fluctuates upon demand and supply. In case, wheat is not sold promptly in the market, they would have to pay demurrage. By selling to us, they are sure of getting the MSP," said the official.

DAY	TIME	ZONE	ECONOMICAL DATA	EXP	PREV
	1:30pm	EUR	Italian Industrial Production m/m	0.004	-0.023
	2:00pm	EUR	Sentix Investor Confidence	20.1	20.7
	7:30pm	USD	Labor Market Conditions Index m/m		1.3

Mon

Activity in Japan's services sector expanded at the fastest pace in 19 months in March as outstanding business improved, allowing companies to charge more for their goods, a private survey showed. The Markit/Nikkei Japan Services Purchasing Managers Index (PMI) rose to 52.9 in March on a seasonally adjusted basis from 51.3 in February. The index remained above the 50 threshold, which separates expansion from contraction, for the sixth consecutive month. The index for outstanding business rose to 51.6 in March from 50.2 in the previous month to show the fastest growth in 20 months. The business expectations index rose to 55.4 from 53.8 in February to mark the fastest growth since April last year. Services account for around two-thirds of Japan's gross domestic product, so expansion in that sector could help overall economic growth. While the country is seeing a modest economic recovery, the improvement has been highly dependent on a rebound in exports.

The central government might increase its minimum support price (MSP) for tur (red gram) and moong dal (green gram) by Rs 200 and Rs 475 a quintal, respectively, for the 2017-18 kharif season, if it agrees with the recommendations made by the Commission for Agricultural Costs and Prices (CACP). Officials said the government normally accepts these. The Ministry of Agriculture would examine the proposals and then send it to the Cabinet. Kharif sowing starts around July and crops are harvested from October. In percentage terms, these would be increases of around four and nine per cent for tur and moong, respectively, to Rs 5,250 a quintal and Rs 5,700 a quintal. There could be an additional bonus to incentivise production. Among commercial crops, the panel recommended an MSP of Rs 4,020 a quintal for medium-staple cotton, from the existing Rs 3,860 a quintal. For soybean, the MSP recommended is Rs 2,850 a quintal for the 2017-18 season, an increase of Rs 75. That for groundnut is recommended to be maintained at Rs 4,220 a quintal. India's rice production in the 2016-17 crop year is estimated at 109 million tonnes (mt), almost four mt more than last year. Moong dal production in 2016-17 is projected at an all-time high of 2.13 mt, against 1.6 mt last year. Tur production is estimated at a record 4.23 mt, about 65 per cent more. Overall, pulses production in 2016-17 is estimated to be a record 22-plus mt, from 16.35 mt last year.



Achievers Commercial Private Limited.

HEAD OFFICE

32/A, DIAMOND HARBOUR ROAD, SAKHERBAZAR, KOLKATA-700008

WEST BENGAL, INDIA

PHONE:033 2445 6442 | FAX: 033 2407 5408

EMAIL ID: info@achieversequitiesltd.com

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