

Daily Commodity Report as on Wednesday, July 26, 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	28538	28579	28392	28478	-0.13	5494
Silver	38085	38450	37652	38289	0.53	18036

Base Metal						
Alum.	122.45	124.45	122.25	123.95	1.60	2086
Copper	391.8	406.95	391.8	406	3.94	18269
Lead	144.45	148.6	144.45	148.25	2.95	2504
Nickel	627	643.7	627	642.9	2.72	18445
Zinc	179.75	184.05	179.75	183.6	2.34	7691

Energy						
Crude	3004	3098	3001	3090	3.10	11662
Nat. Gas	187.6	190	187.1	189.6	1.61	2451

Spices						
Cardamom	1125	1134.8	1107	1122.7	0.45	402
Turmeric	7190	7192	6884	6924	-3.43	11705
Jeera	19200	19390	19100	19180	-0.36	12930
Dhaniya	4929	4971	4891	4919	-0.08	37240

Cereals						
Wheat	1675	1677	1673	1676	0.00	18690

Oil and Oilseeds & Others						
Soyabean	3010	3044	3005	3024	1.07	65470
Ref. Oil	641.8	646.5	641.05	642.4	0.56	47540
CPO	480	485.6	480	485.1	1.17	2525
RMSeed	3666	3695	3666	3683	0.55	60420
Menthol	1024	1062.5	1021.5	1054	2.79	4010
Cotton	18160	18290	18160	18260	0.94	1934

Currency						
USDINR	64.66	64.70	64.62	64.66	0.07	887977
EURINR	75.55	75.70	75.37	75.47	0.14	75263
GBPINR	84.30	84.40	84.21	84.35	0.07	26480
JPYINR	58.30	58.37	58.07	58.11	-0.46	11633

Gold prices retreated as equities gained and the markets awaited clues about monetary policy from the Fed, which began its two-day meeting.

Silver gained tracking gains in base metals and as market players looked ahead to a Federal Reserve policy meeting for any new insight.

Crude oil surged more than 3% as OPEC vowed to re-balance oil markets even if it takes supply quotas through 2018.

Copper rallied near to 4% as copper mine in Indonesia entered its fourth month of strikes, which helps further boost the base metal.

Zinc prices gained boosted by signs of robust demand from top consumer China and tight supplies.

Nickel gains as support came after Philippine's President said he wants all mineral resources extracted in the country to be processed domestically.

Natural gas ended with gains, rising for the first time in five sessions as investors returned to the market to seek cheap valuations.

Ref soyoil ended with gains tracking firmness in spot demand on low level buying.

Mentha oil ended with gains amid pick-up in demand from consuming industries in the domestic spot market.

Soyabean prices gained on reports of lower sowing compared to last year.

Mustard seed ended with gains tracking firmness in spot demand and other oilseed counters.

Turmeric prices ended with losses on reports on below normal rains.

Jeera prices ended with losses amid weak physical demand at higher prices.



MCX Gold Aug 2017

TRADING IDEA

OPEN	28538	SUP-2	28296
HIGH	28579	SUP-1	28387
LOW	28392	P.P.	28483
CLOSE	28478	RES-1	28574
% CNG	-0.13	RES-2	28670

Gold trading range for the day is 28296-28670.

Gold prices retreated as equities gained and the markets awaited clues about monetary policy from the Fed, which began its two-day meeting.

Gold has been well-supported in recent sessions as ongoing political turmoil in the White House and weakness in the U.S. dollar spurred haven demand.

U.S consumer confidence jumped to a near 16-year high in July amid optimism over the labour market, while house prices maintained their upward trend in May.

SELL GOLD AUG 2017 @ 28550 SL 28650 TGT 28440-28350.MCX



Gold on MCX settled down -0.13% at 28478 dropped but overall market was held steady as investors waited for a statement from the Federal Reserve later in the day for clues on the outlook for U.S. monetary policy. Tonight Federal Reserve to keep rates unchanged while treasury yields ticked higher, lowering demand for non-interest bearing gold, suggesting that market participants expect the central bank to keep to its recent stance monetary policy. Following its decision to raise rates in June for the second time this year, the Fed said that the slowdown in inflation was transitory and signalled its intention to raise rates at least once more this year. In a rising interest rate environment, investor appetite for gold weakens as the opportunity cost of holding the precious metal increases relative to other interest-bearing assets such as bonds. While concerns seen as US Senate Republicans narrowly agreed on Tuesday to open debate on a bill to end Obamacare, but the party's seven-year effort to roll back Democratic President Barack Obama's signature healthcare law still faces significant hurdles. The U.S. House of Representatives voted overwhelmingly on Tuesday to slap new sanctions on Russia, and force Trump to obtain lawmakers' permission before easing any sanctions on Moscow, in a rare rebuke of the Republican in the White House. Meanwhile Holdings at the SPDR Gold Trust , the world's largest gold-backed exchange-traded fund, fell 1.13 percent to 800.45 tonnes on Tuesday from 809.62 tonnes on Monday. Technically now Gold is getting support at 28387 and below same could see a test of 28296 level, And resistance is now likely to be seen at 28574, a move above could see prices testing 28670.

MCX Silver Sep 2017

TRADING IDEA

OPEN	38085	SUP-2	37332
HIGH	38450	SUP-1	37810
LOW	37652	P.P.	38130
CLOSE	38289	RES-1	38608
% CNG	0.53	RES-2	38928

Silver trading range for the day is 37332-38928.

Silver gained tracking gains in base metals and as market players looked ahead to a Federal Reserve policy meeting for any new insight.

The Fed is not expected to take action on interest rates at the conclusion of its two-day policy meeting on Wednesday, keeping it in a range between 1.0%-1.25%.

The central bank will release its post-meeting statement as investors look for any change in language which could point more clearly to a rate hike in the months ahead.

SELL SILVER SEP 2017 @ 38200 SL 38470 TGT 37980-37740.MCX



Silver on MCX settled up 0.53% at 38289 tracking gains in base metals and as market players looked ahead to a Federal Reserve policy meeting for any new insight. The market is not expecting an interest rate increase following the Fed's two-day meeting, but it is looking for hints on the timing and extent of future moves. U.S consumer confidence jumped to a near 16-year high in July amid optimism over the labour market, while house prices maintained their upward trend in May, which could boost consumer spending after recent sluggishness. The dollar edged up on Tuesday after falling to a 13-month low against a basket of major currencies as investors gained hope U.S. President Donald Trump could push through his expansionary fiscal agenda but remained wary of the short-term U.S. economic outlook. U.S. Senate Republicans narrowly agreed on Tuesday to open debate on a bill to end Obamacare, but the party's seven-year effort to roll back Democratic President Barack Obama's signature healthcare law still faces significant hurdles. The London Metal Exchange (LME) will start publishing gold and silver reference prices, the exchange told, potentially challenging the dominance of benchmarks administered by Intercontinental Exchange (ICE). Technically market is under short covering as market has witnessed drop in open interest by -6.25% to settled at 18036 while prices up 203 rupees, now Silver is getting support at 37810 and below same could see a test of 37332 level, And resistance is now likely to be seen at 38608, a move above could see prices testing 38928.



MCX Crudeoil Aug 2017

TRADING IDEA

OPEN	3004	SUP-2	2966	Crudeoil trading range for the day is 2966-3160.
HIGH	3098	SUP-1	3028	Crude oil surged more than 3% as OPEC vowed to re-balance oil markets even if it takes supply quotas through 2018.
LOW	3001	P.P.	3063	Saudi announced it would cut August exports to 6.6mbpd, while Nigeria will be compelled to join the supply quota plan.
CLOSE	3090	RES-1	3125	China's crude imports will exceed 400 million tons (8 million bpd) this year and likely grow by double digits next year
% CNG	3.10	RES-2	3160	BUY CRUDEOIL AUG 2017 @ 3070 SL 3040 TGT 3105-3135.MCX



Crudeoil on MCX settled up 3.1% at 3090 as OPEC vowed to re-balance oil markets even if it takes supply quotas through 2018. Crude oil prices topped \$48 a barrel as support seen after the API reported that US crude supplies dropped 10.2mbls for the week ended July 21, according to sources. The API data also showed a rise of 1.9mbls in gasoline supplies, while inventories of distillates were down 111,000 barrels, sources said. While prices seen support as investors continued to cheer Saudi Arabia's pledge to lower crude exports and Opec's commitment to boost compliance with output cuts to curb excess supplies. At a gathering of ministers from major crude-producing nations in St. Petersburg, Russia on Monday, Saudi Energy Minister Khalid al-Falih said his country would limit crude oil exports at 6.6mbpd in August, almost 1mbpd below levels a year ago. Also Russian Energy Minister Alexander Novak said an additional 200,000 bpd of oil could be removed from the market if there is 100% compliance with the OPEC-led deal. Despite the somewhat positive outcome of the meeting, Opec has its work cut out to curb excess supplies and lower crude stockpiles to the five-year average. Now market players will watch U.S. crude inventory data due on tonight from the US EIA with market is estimated, on average, that crude stocks fell 3mbls in the latest week. Technically market is under short covering and getting support at 3028 and below same could see a test of 2966 level, And resistance is now likely to be seen at 3125, a move above could see prices testing 3160.

MCX Copper Aug 2017

TRADING IDEA

OPEN	391.8	SUP-2	386.5	Copper trading range for the day is 386.5-416.7.
HIGH	407.0	SUP-1	396.3	Copper rallied near to 4% as copper mine in Indonesia entered its fourth month of strikes, which helps further boost the base metal.
LOW	391.8	P.P.	401.6	On the supply side, Antofagasta PLC and Barrick Gold Corp.'s Zaldívar mine averted a strike overnight, but threats to supply still exist.
CLOSE	406.0	RES-1	411.4	Copper also seen support as traders are optimism over President Donald Trump's infrastructure plans, is now being powered to fresh highs.
% CNG	3.94	RES-2	416.7	BUY COPPER AUG 2017 @ 402.00 SL 398.00 TGT 406.50-410.50.MCX



Copper on MCX settled up 3.94% at 406 rallied to the highest in more than in 4 month boosted by signs of robust demand from China, tight supplies, a weak US dollar and a break of key technical levels. While benchmark copper on the London Metal Exchange ended up 3.3 per cent at \$US6225 a tonne having earlier touched \$6234.50 a tonne its highest since May 2015. On the supply side, Antofagasta PLC and Barrick Gold Corp.'s Zaldívar mine averted a strike overnight, but threats to supply still exist. Freeport McMoRan Inc.'s Grasberg mine in Indonesia, the second-largest copper mine in the world, entered its fourth month of strikes Monday, which helps further boost the base metal. Base metals have rallied in the past month as a gauge of the dollar trades around a one-year low, making materials priced in greenbacks more attractive. In addition, economists have become more upbeat about China's economy and concerns about a tightening of liquidity in the nation have eased. All main industrial metals climbed Tuesday, while steel and iron ore contracts also advanced as the People's Bank of China said it will pursue stable monetary policies. The announcement came after economists raised their forecasts for China's economic output after first-half growth beat estimates. Technically market is under fresh buying as market has witnessed gain in open interest by 17.09% to settled at 18269 while prices up 15.4 rupees, now Copper is getting support at 396.3 and below same could see a test of 386.5 level, And resistance is now likely to be seen at 411.4, a move above could see prices testing 416.7.



MCX Zinc Jul 2017

TRADING IDEA

OPEN	179.8	SUP-2	178.2	Zinc trading range for the day is 178.2-186.8.
HIGH	184.1	SUP-1	181.0	Zinc prices gained boosted by signs of robust demand from top consumer China and tight supplies.
LOW	179.8	P.P.	182.5	The zinc market was in deficit by 181 kilo tons during January to May this year which compares with a deficit of 236 kilo tons recorded in the whole of the previous year.
CLOSE	183.6	RES-1	185.3	Global refined zinc production rose by 1.5 per cent and consumption was 2.5 per cent higher than the levels recorded one year earlier.
% CNG	2.34	RES-2	186.8	BUY ZINC JUL 2017 @ 182.50 SL 181.00 TGT 184.00-185.50.MCX



Zinc on MCX settled up 2.34% at 183.6 boosted by signs of robust demand from top consumer China and tight supplies. Domestic refined zinc output will hold flat in July compared to June. China's refined zinc production was estimated at 457,000 tonnes in June, up 8.8% on the month but down 0.8% on a yearly basis. Zinc inventories at Chinese zinc smelters will increase 1 day of production in July. Production is steady at zinc smelters in July, but orders from die-cast zinc alloy and other downstream producers decreased. While the dollar edged up after hitting its lowest level since June 2016 as the Federal Reserve began a two-day policy meeting. The Fed is expected to discuss its monetary policy stance and the timing of a long-awaited balance sheet reduction, a plan seen as likely to be detailed in September. No change to U.S. interest rates was expected. There is a growing sense that the Fed will want to tread carefully amid signs of subdued U.S. inflation, and markets were reflecting that. They were also influenced by strong German economic data and Greece's first return to capital markets since 2014. Investors also are watching for the U.S. Senate to vote on a repeal of the 2010 Affordable Care Act, which President Donald Trump and Republicans have vowed to undo. Technically market is under fresh buying as market has witnessed gain in open interest by 7.67% to settled at 7691 while prices up 4.2 rupees, now Zinc is getting support at 181 and below same could see a test of 178.2 level, And resistance is now likely to be seen at 185.3, a move above could see prices testing 186.8.

MCX Nickel Jul 2017

TRADING IDEA

OPEN	627.0	SUP-2	621.2	Nickel trading range for the day is 621.2-654.6.
HIGH	643.7	SUP-1	632.1	Nickel gains as support came after Philippine's President said he wants all mineral resources extracted in the country to be processed domestically.
LOW	627.0	P.P.	637.9	One high-grade NPI plant in Liaoning suspended production again in early July due to slim profits after running shortly in June.
CLOSE	642.9	RES-1	648.8	Global nickel market was in a shortage of 54,300 tonnes during the first five months of 2017, according to the World Bureau of Metal Statistics.
% CNG	2.72	RES-2	654.6	BUY NICKEL JUL 2017 @ 636.00 SL 626.00 TGT 648.00-656.00.MCX



Nickel on MCX settled up 2.72% at 642.90 tracking gained from LME nickel which jumped 1.84% to settled at \$9,940 a metric ton reached the highest in three months after Philippine President Rodrigo Duterte on Monday threatened to impose higher taxes on mining firms unless they take steps to protect the environment, renewing concerns about supply from the world's top producer of mined nickel. While these economic developments are currently moving nickel, overall overseas developments are driving the market's fundamentals. Nickel prices have had a volatile year. First, they soared as the Philippines acting environment minister Regina Lopez enforced mining suspensions. But, when she was ousted this rally collapsed and nickel prices fell when a more mining friendly minister took her place. But, as the new minister has indicated that mines could return to operations, moves by Philippine President Rodrigo Duterte could result in lower nickel production. Duterte said he was considering a ban on mineral exports to promote the development of related downstream industries. This week during a speech to a joint session of parliament on Monday, Duterte warned companies that he is fine with mining activities that benefit the poor and observe environmental safeguards — "or I will tax you to death." The Philippines is a leading global producer of nickel but has no domestic processing industries. By forcing the development of nickel processing the country would capture more value from its mining industry. But, the export ban could backfire. Now technically market is under short covering and getting support at 632.1 and below same could see a test of 621.2 level, And resistance is now likely to be seen at 648.8, a move above could see prices testing 654.6.



NCDEX Jeera Aug 2017

TRADING IDEA

OPEN	19200	SUP-2	18935	Jeera trading range for the day is 18935-19515.
HIGH	19390	SUP-1	19060	Jeera prices ended with losses amid weak physical demand at higher prices.
LOW	19100	P.P.	19225	As per data, jeera arrival during first 20 days of July recorded only 2,396 tonnes compared to 5,872 tonnes in June for the same time period.
CLOSE	19180	RES-1	19350	NCDEX accredited warehouses jeera stocks gained by 405 tonnes to 2467 tonnes.
% CNG	-0.36	RES-2	19515	SELL JEERA AUG 2017 @ 19250 SL 19380 TGT 19120-19005.NCDEX



Jeera on NCDEX settled down by -0.36% at 19180 amid weak physical demand at higher prices. As per data, jeera arrival during first 20 days of July recorded only 2,396 tonnes compared to 5,872 tonnes in June for the same time period. As per the data release by government, jeera exports in April 2017 was 14,599 tonnes, were down 9% from March. In 2016/17, country exports increase by 26% to 1.24 lacs in as per the data release by Dept. of commerce, GOI. Chinese crop has been lower than expected. But next week, we will see whether buyers are willing to take jeera from India at the current price levels. Even now, we have to pay higher price in the local market to get sufficient load for export. Turkey is offering cumin at \$2,900 per tonne, which is \$100 less than the Indian price, though the quantity on offer is much lower than that offered by India, which continues to be a major cumin supplier to the world market. Cumin exports from the country rose 22 per cent year-on-year in volume to 1,19,000 tonnes and 28 per cent in value to 1,963 crore in 2016-17. Sources estimate India's jeera crop output will be around 2.5 lakh tonnes, lower than the 3.75 to 5 lakh-tonne estimated. Even at the lower crop estimate, jeera exports are projected to range between 100,000-150,000 tonnes, for the year. In Junjha, a key spot market in Gujarat, jeera edged down by -66 Rupees to end at 19400 Rupees per 100 kg. Technically now Jeera is getting support at 19060 and below same could see a test of 18935 level, And resistance is now likely to be seen at 19350, a move above could see prices testing 19515.

NCDEX Turmeric Aug 2017

TRADING IDEA

OPEN	7190	SUP-2	6692	Turmeric trading range for the day is 6692-7308.
HIGH	7192	SUP-1	6808	Turmeric prices ended with losses on reports on below normal rains.
LOW	6884	P.P.	7000	As per data, about 12,623 tonnes arrived in first 20 days in July compared to 20,623 tonnes in previous fortnight.
CLOSE	6924	RES-1	7116	NCDEX accredited warehouses turmeric stocks dropped by 124 tonnes to 6381 tonnes.
% CNG	-3.43	RES-2	7308	SELL TURMERIC AUG 2017 @ 7100 SL 7250 TGT 6980-6850.NCDEX



Turmeric on NCDEX settled down by -3.43% at 6924 on reports on below normal rains. However, good sowing progress and hoping of monsoon rains in turmeric sowing areas may keep the prices volatile. In Telangana, turmeric acreage, up 90% to 33,000 hectares as compared to last year acreage of 28,000 hectares. The normal acreage is close to 47,000 hectares. Market arrivals dropped about 60% in June compared to May. As per data, about 12,623 tonnes arrived in first 20 days in July compared to 20,623 tonnes in previous fortnight. As per the data release by government, turmeric exports during first four months in 2017 is 42,855 tonnes, up 40.7% compared to last year same period. Spot turmeric decreased on Monday. At the Regulated Marketing Committee, finger turmeric sold at Rs. 7,029 to Rs. 8,259 a quintal. The root variety sold at Rs. 6,374 to Rs. 7,699 a quintal. At the Erode Cooperative Marketing Society, finger turmeric sold at Rs. 7,199 to Rs. 8,789 a quintal. The root variety sold at Rs. 6,570 to Rs. 7,969 a quintal. Andhra Pradesh State Co-operative Marketing Federation, also known as AP Markfed, will auction 48,500 tn turmeric in Aug-Nov through the NCDEX e-Markets Ltd's trading platform, a senior official of the state marketing body said. In Nizamabad, a major spot market in AP, the price ended at 7234.4 Rupees dropped -25 Rupees. Technically market is under long liquidation as market has witnessed drop in open interest by -6.51% to settled at 11705 while prices down -246 rupees, now Turmeric is getting support at 6808 and below same could see a test of 6692 level, And resistance is now likely to be seen at 7116, a move above could see prices testing 7308.



MCX Menthaoil Aug 2017

TRADING IDEA

OPEN	1024.0	SUP-2	1005.0	Menthaoil trading range for the day is 1005-1087.
HIGH	1062.5	SUP-1	1029.5	Mentha oil spot at Sambhal closed at 1172.90 per 1kg. Spot prices was up by Rs.6.70/-.
LOW	1021.5	P.P.	1046.0	Mentha oil ended with gains amid pick-up in demand from consuming industries in the domestic spot market.
CLOSE	1054.0	RES-1	1070.5	Stock positions of mentha in MCX accredited warehouses were around 8707 drums which is 456 drums more in comparison to previous day.
% CNG	2.79	RES-2	1087.0	BUY MENTHAOIL AUG 2017 @ 1040.00 SL 1028.00 TGT 1054.00-1070.00.MCX



Mentha oil on MCX settled up by 2.79% at 1054 amid pick-up in demand from consuming industries in the domestic spot market. Further, restricted supplies from major producing belts of Chandausi in Uttar Pradesh too supported mentha oil prices. Stock positions of mentha in MCX accredited warehouses were around 8707 drums which is 456 drums more in comparison to previous day while in process were 2388 drums, which is 444 drums less against the previous day. The supply of mentha to the major spot markets of Uttar Pradesh is moderate while the demand from local consuming industries and traders has shown improvement. Due to heavy rainfall there is expectation of damage to the new stock, which is also giving support to the mentha prices. Arrivals are moderate in the major spot markets of Uttar Pradesh. As per the sources, the local demand for mentha from the traders and domestic consuming industries has slightly improved in comparison to previous days. Due to the improving Chinese economy, there is expectation of increase in export demand in coming days which is also giving support to the prices. The expectation of good production of mentha during the year has boosted the demand for natural mentha. The new crop of mentha oil is being sold at 975 and 1,010 rupees per kg in Chandausi and Sambhal, respectively, down about 50-70 rupees in the last two weeks. Mentha oil spot at Sambhal closed at 1172.90 per 1kg. Spot prices was up by Rs.6.70/-Technically market is under fresh buying as market has witnessed gain in open interest by 22.11% to settled at 4010, now Menthaoil is getting support at 1029.5 and below same could see a test of 1005 level, And resistance is now likely to be seen at 1070.5, a move above could see prices testing 1087.

DAILY MARKET LEVEL FOR METAL AND ENERGY

COMMODITIES	GOLD	SILVER	CRUDE	NAT.GAS	COPPER	ZINC	NICKEL	ALUMINUM	LEAD
CLOSE	28478	38289	3090	189.6	406	183.6	642.9	123.95	148.3
RESISTANCE	28761	39406	3222	193.6	426.5	189.6	665.5	127.2	154.0
	28670	38928	3160	191.8	416.7	186.8	654.6	125.8	151.3
	28574	38608	3125	190.7	411.4	185.3	648.8	125.0	149.8
P. POINT	28483	38130	3063	188.9	401.6	182.5	637.9	123.6	147.1
SUPPORT	28387	37810	3028	187.8	396.3	181.0	632.1	122.8	145.6
	28296	37332	2966	186.0	386.5	178.2	621.2	121.4	142.9
	28200	37012	2931	184.9	381.2	176.7	615.4	120.6	141.4
OI	5494	18036	11662	2451	18269	7691	18445	2086	2504
TREND	Negative	Positive	Positive						
SPREAD	233	610	21.00	0.00	6.30	0.10	4.80	0.75	0.95



NEWS YOU CAN USE

The International Monetary Fund maintained its global growth projections saying the pickup in global growth remains on track as anticipated in April. Global output is forecast to grow by 3.5 percent in 2017 and 3.6 percent in 2018. The unchanged growth projections mask somewhat different contributions at the country level, the Washington-based lender said in its World Economic Outlook Update. "Short-term risks are broadly balanced, but medium-term risks are still skewed to the downside," the Washington-based lender said. The growth forecast in the United States has been revised down further to 2.1 percent from 2.3 percent in 2017 and to 2.1 percent from 2.5 percent in 2018. The downward revision is based on the assumption that fiscal policy will be less expansionary going forward. On the other hand, Eurozone growth outlook was revised up citing stronger momentum in domestic demand than previously anticipated. GDP is forecast to climb 1.9 percent this year and 1.7 percent in 2018. The projections were revised from 1.7 percent and 1.6 percent, respectively. The growth forecast has been revised down for the United Kingdom for 2017 on weaker-than-expected activity in the first quarter. The economy is forecast to grow 1.7 percent in 2017 and 1.5 percent in 2018.

China's economy is likely to grow at an annual rate of around 6.7 percent in the second half of 2017, slowing slightly from the first half of the year, the State Information Center (SIC) said. The State Information Center is an official think tank affiliated with the National Development and Reform Commission, the country's top economic planning agency. It forecast full-year growth in the world's second largest economy of around 6.8 percent, it was reported as saying by the state-owned China Securities Journal. The SIC said the small decline would reflect a number of factors including a slowdown in export growth and a cooling of investment in the real estate market. China's economy grew 6.9 percent in the second quarter from a year earlier, slightly faster than expected, supported by a government infrastructure spending spree and a red-hot housing market.

Over half of India currently faces sugar deficit despite existence of huge carryover stocks from the previous year and bumper output in some states including Uttar Pradesh and Maharashtra. Deficient monsoon rain so far has threatened recovery in sugar production this season, the second year in a row, pushing sugar prices to a three-month high in the past few weeks. Industry sources said 14 states and Union Territories with a huge sugar consumption base are currently facing supply shortage due to low output last year. These include major consumers such as West Bengal, Rajasthan, and Bihar to name a few. Despite growing consumption, a number of these states do not produce sugar at all. The government has asked Indian Sugar Mills Association (ISMA) to ensure that Mills do not increase prices as market prices were quoted at three-month highs. In response to the letter from ministry of consumer affairs to check prices, Saritha Reddy, president ISMA said that, "We have asked all member sugar mills, writing individually to them, to keep prices under check. We also want prices to remain under check and do not go up unreasonably." The government had also allowed duty free import of 0.5 million tonnes of raw sugar to bridge the regional deficit, experts believe the quantity insufficient to meet the region's demand.

DAY	TIME	ZONE	ECONOMICAL DATA	EXP	PREV
	7:30pm	USD	New Home Sales	615K	610K
	8:00pm	USD	Crude Oil Inventories	-3.3M	-4.7M
	11:30pm	USD	FOMC Statement		
	11:30pm	USD	Federal Funds Rate	<1.25%	<1.25%

Wed

With low supply muting overall activity, the National Association of Realtors released a report on Monday showing a bigger than expected drop in existing home sales in the month of June. NAR said existing home sales slumped by 1.8 percent to an annual rate of 5.52 million in June from 5.62 million in May. Economists had expected existing home sales to drop by 1.0 percent. "Closings were down in most of the country last month because interested buyers are being tripped up by supply that remains stuck at a meager level and price growth that's straining their budget," said NAR chief economist Lawrence Yun. He added, "The demand for buying a home is as strong as it has been since before the Great Recession. Listings in the affordable price range continue to be scooped up rapidly, but the severe housing shortages inflicting many markets are keeping a large segment of would-be buyers on the sidelines." Total housing inventory at the end of June declined 0.5 percent to 1.96 million existing homes available for sale, and is now 7.1 percent lower than a year ago and has fallen year-over-year for 25 consecutive months.

Heavy and incessant rainfall over the past few days, which triggered flooding and water logging in parts of Gujarat, has hit early-sown kharif crops such as cotton and groundnut. Initial estimates by agriculture experts and government officials indicate that kharif crop losses have occurred on about 50,000 hectares, mainly in Saurashtra, Kutch and North Gujarat, including the cotton-growing areas of Rajkot, Surendranagar, Morbi, Jamnagar, Devbhumi Dwarka, Kutch, Patan, Banaskantha and Sabarkantha. Kharif sowing had taken place on about 60.62 lakh hectares till July 17, accounting for about 71 per cent of the three-year average sowing of 85.76 lakh hectares. The affected districts had cotton acreages of over 20 lakh hectares, followed by groundnut area of about 14 lakh hectares. The State has received 61 per cent of the season's rainfall with 491.54 mm against the average of 810 mm. According to the State's water supply department, out of the 203 reservoirs in the state, 30 have been put under high alert with 100 per cent filling, while 11 dams show over 90 per cent filling. The administration has issued an alert for 12 dams. The small and marginal farmers will be provided financial assistance under the Calamity Relief Fund, while bigger farmers will be given assistance based on the assessment of the damage. Massive damage is reported in cotton and sesamum, which cannot withstand water-logged fields for more than 3-4 days.



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