

## Bullion Gold

Last week, spot gold prices declined 0.4 percent to trade at \$1311.2 per ounce while MCX gold prices declined 0.6 percent although rupee depreciation of around 2 percent did not help gold prices much.

Stronger US dollar optimistic data sets from the US and assurance from the FED that the rate hikes will be gradual in 2018 kept the gold prices in check for most of the last week.

The Fed said inflation on a 12-month basis was "expected to run near the committee's symmetric 2 percent objective".

However, sharp downside was limited as uncertainties supported bullion, including U.S.-China trade talks and the potential U.S. withdrawal from the Iranian nuclear accord.

## Silver

Spot silver prices fell 0.4 percent last week to close at \$16.4 per ounce in line with fall in gold and base metal prices while stronger dollar exerted further pressure.

On the MCX, silver prices declined 0.8 percent to close at Rs.38900 per barrel.

## Outlook

We expect gold prices to trade higher today as the Iranian nuclear accord and the US China trade tensions will boost safe haven demand.

On the MCX, gold prices are expected to trade higher today, international markets are trading higher by 0.2 percent at \$1317.70 per ounce.

### Technical Outlook

valid for May 7, 2018

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1311/1305	1325/1331
MCX GOLD JUNE'18 (Rs/10GMS)	30950/30800	31280/31420
NCDEX GOLD HEDGE MAY'18 (Rs/KG)	27970/27830	28268/28395
SPOT SILVER (\$/OZ)	16.50/16.20	16.80/16.90
MCX SILVER MAY'18 (Rs/KG)	39400/39000	40100/40400

## Market Highlights (% change) as on May 4, 2018

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	66.8	-0.23	-0.3	-2.9	-3.9
Euro/\$(Spot)	1.2	-0.24	-1.4	-2.6	8.9
Dollar Index	92.6	0.2	1.1	2.7	16.5
NIFTY	10618.3	-0.57	-0.7	2.8	14.4
SENSEX	34915.4	-0.53	-0.2	3.8	90.9
DJIA	24262.5	1.39	-0.2	1.2	15.5
S&P	2663.42	1.3	-0.2	2.3	11.5

## Gold (% change) as on May 4, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
GOLD (SPOT)	1314.7	0.26	-0.5	-1.4	7.1
GOLD (SPOT - MUMBAI)	31025.0	0.40	-0.4	2.1	10.0
COMEX	1312.7	0.15	-0.6	-1.8	5.3
MCX(JUNE'18)	31303.0	0.19	-0.4	1.5	11.1

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

## Gold Options as on May 4, 2018

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHG
MCX GOLD (CALL@31500)	242.00	299.00	225.50	278.00	0.13
MCX GOLD (PUT@31500)	213.50	248.00	168.50	178.50	-0.17

## Silver (% change) as on May 4, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
SILVER (SPOT)	16.5	0.5	-0.1	0.8	1.3
SILVER (SPOT - MUMBAI)	39150.0	0.6	-0.3	2.8	1.2
COMEX	16.4	0.4	0.7	-0.8	1.4
MCX (MAY'18)	39734.0	0.28	0.2	2.4	4.4

(Comex in \$ per ounce, MCX, Silver spot in Rs/kg)

Source: Reuters

## Energy

### Crude Oil

WTI oil prices declined by around 0.8 percent last week while MCX oil prices rose marginally by 0.2 percent in the same time frame.

Risk of renewed U.S. sanctions on Iran, plunging Venezuelan output, and robust global demand shook off the effects of a strong dollar on oil prices.

A top adviser to Iran's supreme leader said Tehran would not accept any change to the 2015 nuclear deal, as Western signatories prepare a new package in the hope of persuading U.S. President Donald Trump to stick with the accord.

This comes a day after French President Emmanuel Macron said he expected Trump to pull out of the agreement. Trump will decide by May 12 whether to restore the sanctions, which would probably result in a reduction of Iranian oil exports.

### Outlook

We expect oil prices to trade higher today as uncertainty with regards to the US sanctions on Iran looms while disturbance in North Sea oil field production will also act as a positive factor for oil markets.

On the MCX, oil prices are expected to trade higher today, international markets are trading higher by 1 percent at \$70.4 per barrel.

#### Technical Outlook

valid for May 7, 2018

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	69.60/68.70	71.30/72.30
MCX CRUDE MAY'18 (RS/BBL)	4610/4550	4720/4780
BRENT CRUDE (\$/BBL)	74.80/73.90	76.60/77.50

### Market Highlights - Crude Oil (% change) as on May 4, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	75.8	1.7	-0.4	15.3	61.8
NYMEX CRUDE (JAN'17)	69.7	1.9	2.4	12.3	53.2
ICE BRENT CRUDE (FEB'17)	74.9	1.7	0.3	11.6	54.8
MCX CRUDE (MAY'18)	4668.0	2.1	2.7	15.9	59.3

(Brent & NYMEX Crude in \$ per bbl, MCX Crude in Rs/bbl)

Source: Reuters

### Market Highlights - Natural Gas (% change) as on May 4, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.7	-0.8	-2.1	0.6	-15.1
MCX NG (APR'18)	182.3	0.1	-2.0	3.6	-10.8

(NYMEX NG in \$/MMBtu, MCX NG in Rs/MMBtu)

Source: Reuters

## Base Metals

Base metals traded mostly lower last week as stronger DX coupled with tensions regarding the developments in US-China trade talks weighed on the counter.

MCX base metals traded mostly lower in line with international trends.

Aluminium recovered from losses in the prior week and performed best amongst base metals, supported by lingering supply tensions with the United States imposing tariffs on aluminium imports, and China retaliating by targeting U.S. aluminium scrap.

## Copper

LME Copper prices gained 0.4 percent while MCX prices rose by 2 percent last week as favourable Chinese manufacturing numbers buoyed the red metal. Caixin manufacturing PMI, which focuses on small and mid-size businesses, improved to 51.1 in April from a four-month low of 51.0 in March, after stable official manufacturing number.

Latest monthly bulletin from the International Copper Study Group (ICSG) showed the global world refined copper market ended in a 33,000 tonnes surplus in January, compared with a 14,000 tonnes surplus in December.

However, sharp upside was limited as dollar surged to four month highs buoyed by rising bond yields on expectations that the Fed would raise interest rates more aggressively to combat inflation.

## Outlook

**LME markets are closed today for May Day.**

In absence of LME markets, we expect MCX copper prices to trade marginally lower today as sudden surge in Shanghai stocks along with fall in net longs in CFTC Copper contracts will weigh on prices although US-China trade talks ended on a cautiously optimistic note.

Technical Outlook

valid for May 7, 2018

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER June'18	453/450	461/464
MCX ZINC May'18	204/202.50	206.80/208
MCX LEAD May'18	150/148	157/158.50
MCX ALUMINIUM May'18	157/154.50	160/161.50
MCX NICKEL May'18	925/915	945/955
<b>MCX BRASS May'18</b>	354/351	360/363

## Market Highlights – Base Metals (% change) as on May 4, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper (3 month)	6826.0	0.0	0.4	0.8	23.1
MCX Copper (APR'18)	457.5	0.0	2.0	4.4	27.6
LME Aluminum(3 month)	2343.0	2.6	5.3	14.1	22.2
MCX Aluminum (APR'18)	158.7	3.9	6.6	19.3	29.1
LME Nickel(3 month)	13950.0	0.3	0.5	5.2	54.8
MCX Nickel (APR'18)	934.1	0.8	1.2	8.5	61.1
LME Lead(3 month)	2316.0	1.9	-1.3	-2.8	5.5
MCX Lead (APR'18)	155.6	2.4	-0.7	0.0	10.2
LME Zinc(3 month)	3067.0	1.9	-2.3	-5.4	19.2
MCX Zinc (APR'18)	205.4	2.5	-2.1	-2.8	24.3
<b>MCX Brass (April'18)</b>	357.3	0.4	-1.5	1.5	#N/A

Source: Reuters

## LME Inventories in tonnes

COMMODITY	03/05/18	02/05/18	CHG	%CHG
COPPER	311375	316400	-5025	-1.59%
ALUMINIUM	1310650	1319300	-8650	-0.66%
NICKEL	314862	315696	-834	-0.26%
ZINC	236475	236775	-300	-0.13%
LEAD	131600	131650	-50	-0.04%

Source: Reuters



## No Economic indicators to be released on 7-May-18

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