

Bullion Gold

Spot gold prices traded lower by 0.4 percent on Monday as firm dollar weighed on the yellow metal. Also, SPDR Gold holdings fell 0.17 percent to 856.17 tonnes on Monday.

Gold prices were supported earlier by weaker CPI numbers from the US, suggesting that rate hikes would not be as aggressive.

Gold-backed exchange-traded funds in the US have registered inflows in April at their highest level since September 2017, with safe-haven purchases ushered in by a trade stand-off between the United States and China, Syria tensions and worries about possible U.S. sanctions on Russia.

On the other side, U.S. President Donald Trump has said he had high hopes of "doing something very meaningful" to curtail North Korea's nuclear ambitions at a summit in Singapore next month, after Pyongyang smoothed the way for talks by freeing three American prisoners.

Silver

Spot silver prices fell 0.7 percent yesterday to close at \$16.5 per ounce in line with weakness in gold prices and mixed trend in base metals.

On the MCX, silver prices fell 0.5 percent to close at Rs.40899 per kg.

Outlook

We expect gold prices to trade lower today as positive comments by Cleveland Fed President Loretta Mester in support of gradual rate hikes will exert pressure.

On the MCX, gold prices are expected to trade lower today, international markets are trading flat at \$1313 per ounce.

Technical Outlook valid for May 15, 2018

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1307/1300	1320/1325
MCX GOLD JUNE'18 (Rs/10GMS)	31350/31200	31650/31800
NCDEX GOLD HEDGE MAY'18 (Rs/KG)	28177/28042	28446/28580
SPOT SILVER (\$/OZ)	16.40/16.20	16.70/16.90
MCX SILVER MAY'18 (Rs/KG)	40000/39700	40800/41200

Market Highlights (% change) as on May 14, 2018

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	67.6	-0.29	-0.6	-3.2	-4.9
Euro/(Spot)	1.2	-0.14	0.0	-3.7	9.1
Dollar Index	92.6	0.1	-0.2	3.5	16.5
NIFTY	10806.6	0.00	0.9	2.6	14.4
SENSEX	35556.7	0.06	1.0	3.6	94.4
DJIA	24899.4	0.27	2.2	0.5	18.7
S&P	2730.13	0.1	2.2	2.0	14.2

Gold (% change) as on May 14, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
GOLD (SPOT)	1312.4	-0.40	-0.1	-2.5	6.8
GOLD (SPOT - MUMBAI)	31500.0	0.32	1.3	1.3	12.3
COMEX	1316.5	-0.19	0.3	-2.3	7.7
MCX(JUNE'18)	31744.0	0.03	0.9	0.9	12.9

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

Gold Options as on May 10, 2018

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHG
MCX GOLD (CALL@31200)	178.50	225.00	136.50	158.00	-0.25
MCX GOLD (PUT@31200)	237.00	297.00	192.00	260.50	0.24

Silver (% change) as on May 14, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
SILVER (SPOT)	16.5	-0.7	0.4	-0.6	0.3
SILVER (SPOT - MUMBAI)	40200.0	-0.7	2.6	3.3	4.6
COMEX	16.7	0.0	1.6	-0.6	2.0
MCX Silver	40899.0	-0.49	1.1	3.2	6.0

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

Energy

Crude Oil

WTI oil prices rose by around 0.4 percent on Monday while MCX oil prices traded flat at Rs.4794/bbl boosted by latest report by OPEC stated that the global oil glut has been virtually eliminated.

Oil prices are on track for their fourth consecutive quarterly gain, the longest such stretch for more than 10 years, boosted largely in the past month by fears of disruption in supplies from Iran.

Iran pumps in around 4 percent of the world's oil and exports around 450,000 barrels per day to Europe and 1.8 million bpd to Asia.

The sanctions come amid an oil market that has been tightening due to strong demand, especially in Asia, and as top exporter Saudi Arabia and top producer Russia have led efforts since 2017 to withhold oil supplies to prop up prices.

Outlook

We expect oil prices to trade sideways today while oil market supplies remain tight as Venezuela's oil production slipping and falling US oil inventories.

On the MCX, oil prices are expected to trade sideways today; international markets are trading higher by 0.1 percent at \$71.1 per barrel.

Technical Outlook

valid for May 15, 2018

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	70.10/69.40	71.60/72.40
MCX CRUDE MAY'18 (RS/BBL)	4740/4690	4840/4890
BRENT CRUDE (\$/BBL)	77.40/76.70	78.90/79.70

Market Highlights - Crude Oil (% change) as on May 14, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	79.2	1.0	#N/A	9.2	63.9
NYMEX CRUDE (JAN'17)	71.0	0.4	0.3	7.2	48.3
ICE BRENT CRUDE (FEB'17)	78.2	1.4	2.7	9.5	53.9
MCX CRUDE	4794.0	0.0	0.9	10.2	56.4

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

Source: Reuters

Market Highlights - Natural Gas (% change) as on May 14, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	2.8	0.7	3.6	3.1	-17.0
MCX NG (APR'18)	192.3	1.3	4.1	6.4	-12.5

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

Source: Reuters

Base Metals

Base metals traded mixed on Monday as strong DX coupled with limited risk appetite weighed on the counter.

MCX base metals traded mixed in line with international trends.

Copper

LME Copper prices fell by 0.8 percent as a sudden 3 percent surge in LME stocks weighed on the metal. Copper stocks in LME warehouses rose 8,900 tonnes to 289,975 tonnes after a 10 percent decline in the last week.

Copper prices were supported last week by favourable Chinese economic numbers. Chinese trade figures for April were encouraging with imports rising 21.5 percent and exports 12.9 percent while PPI showed an uptick to 3.4 percent y-o-y while CPI rose a modest 1.8 percent in April.

Further, latest customs data showed Chinese unwrought copper imports in April touched 442,000 tonnes, the highest monthly total so far in 2018. Also, 10 percent plunge in LME inventories over the week has been supportive.

Outlook

LME Copper prices are currently trading lower by 0.2 percent at \$6872 per tonne. We expect copper prices to trade lower today as weak Chinese industrial output and fixed asset investment numbers coupled with supportive comments by Fed member towards US rate hikes will exert pressure.

On the MCX, copper prices are expected to trade lower today.

Technical Outlook

valid for May 15, 2018

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER June'18	460/457	467/471
MCX ZINC May'18	205/203.50	207.80/209
MCX LEAD May'18	159.50/158	162.50/164
MCX ALUMINIUM May'18	156/155	158.50/160
MCX NICKEL May'18	965/953	985/996
MCX BRASS May'18	357/354	363/366

Market Highlights – Base Metals (% change) as on May 14, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper (3 month)	6885.0	-0.8	#N/A	-0.4	23.8
MCX Copper	463.7	-0.3	1.0	3.7	28.9
LME Aluminum(3 month)	2315.0	1.7	#N/A	-2.8	22.7
MCX Aluminum	157.2	2.4	-1.3	0.3	29.7
LME Nickel(3 month)	14475.0	3.2	#N/A	1.9	55.3
MCX Nickel	976.3	3.0	4.2	5.3	62.9
LME Lead(3 month)	2384.5	1.6	#N/A	1.3	12.3
MCX Lead	161.1	1.5	2.8	4.2	18.2
LME Zinc(3 month)	3055.0	-1.2	#N/A	-2.5	19.8
MCX Zinc	206.3	-0.9	-0.8	0.5	26.1
MCX Brass	360.1	-0.4	0.5	1.4	#N/A

Source: Reuters

LME Inventories in tonnes

COMMODITY	11/05/18	10/05/18	CHG	%CHG
COPPER	289975	281075	8900	3.17%
ALUMINIUM	1259300	1264250	-4950	-0.39%
NICKEL	311448	311604	-156	-0.05%
ZINC	233700	234150	-450	-0.19%
LEAD	131225	132025	-800	-0.61%

Source: Reuters

Economic indicators to be released on 15-May-18

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
Core Retail Sales m/m	US	6:00pm	-	0.5%	0.2%	High
Retail Sales m/m	US	6:00pm	-	0.4%	0.6%	High

Research Team

Prathamesh Mallya
Chief Analyst (Non-Agro Commodities & Currency)
prathamesh.mallya@angelbroking.com
 Direct - (022) 3095 0334
 Board line- 4000 3600 Extn :6134

Kaynat Chainwala
Research Analyst
kaynat.chainwala@angelbroking.com
 (022) 3095 0336
 Board line:4000 3600 Extn: 6136

Angel Commodities Broking Pvt. Ltd.

Registered Office: G-1, Ackruti Trade Centre, Rd. No. 7, MIDC, Andheri (E), Mumbai - 400 093.

Corporate Office: 6th Floor, Ackruti Star, MIDC, Andheri (E), Mumbai - 400 093. Tel: (022) 2921 2000

MCX Member ID: 12685 / FMC Regn No: MCX / TCM / CORP / 0037 NCDEX: Member ID 00220 / FMC Regn No: NCDEX / TCM / CORP / 0302

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