

Weekly Mcx Newsletter

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HIGHLIGHT INVESTMENT RESEARCH
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Commodity Overview

U.S. gold futures for December settled at \$1,235.80 a troy ounce, up 0.3% on the day and nearly 1% on the week, data from the COMEX division of the New York Mercantile Exchange showed.

Friday's gains in gold were helped by weakness on Wall Street and global equity markets, which were in for their longest losing streak in five years. A softer dollar also lured investors towards bullion.

Among base metals, COMEX copper rose 0.2% to \$2.744 a pound.

copper futures ended the session lower, with the December contract **HGZ8**, -0.22% off 0.5% at \$2.741 a pound.

In Friday's session, oil's rebound was limited by the weakness on Wall Street and global equity markets, which posted their longest losing streak in five years.

U.S. WTI settled up 26 cents at \$67.58 per barrel, rebounding from a session low of \$66.19. It fell 2.2% on the week.

U.K. Brent, the international benchmark for oil, was up 70 cents, or almost 1%, at \$77.59. For the week, it lost 2.8%.

LME base metals mostly drift lower; EU steel usage to rise in 2018-19 despite trade war; Vale anticipates base metals division transformation by 2020



Precious Metals

Gold futures climbed Friday, finding haven-related support despite some better-than-expected U.S. economic data, as equities saw renewed pressure to end a volatile week.

Prices, however, finished a buck short of the roughly three-month high it settled at on Tuesday.

December gold GCZ8, +0.24% rose \$3.40, or 0.3%, to settle at \$1,235.80 an ounce, tacking on 0.6% for the week—its fourth weekly rise in a row.

For the month, gold was up 3.3% on the heels of six consecutive months of declines.

December silver SIZ8, +0.51% added 7 cents, or 0.5%, to \$14.70 an ounce, for a weekly rise of about 0.3%.

A selloff in global equities amid rising geopolitical and economic uncertainty have pushed gold back above \$1,200 an ounce, with buying and short covering driven by increased risk aversion, while investor flows into bullion, often considered a haven and store of value during times of stress, also continued to increase, as shown by inflows into physically backed exchange traded products

Gold slightly trimmed its earlier gain after data Friday showed third-quarter gross domestic product grew at a 3.5% annualized pace. Economists surveyed by Market Watch produced a consensus forecast for 3.4% annualized growth, slowing from a 4.2% pace in the second quarter.

Support and Resistance

Column1	Column2
GOLD	SILVER
RESISTANCE2:32320	RESISTANCE2:39480
RESISTANCE1:32215	RESISTANCE1:39040
SUPPORT1: 31850	SUPPORT1: 38520
SUPPORT2: 31660	SUPPORT2: 38080

Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOSS
GOLD	SELL	32140	32020	31880	31700	32310
SIVLER	SELL	38980	38710	38520	38230	39320



Base metal prices on the Shanghai Futures Exchange were mostly down during Asian morning trading on Friday after a firm dollar continued to put downward pressure on the complex. Copper and lead were the only metals to register gains - albeit marginal ones - in the early session, with supply tightness in both providing support.

Grupo Mexico, the largest Mexican miner, expects a surge in its production next year, mainly led by copper and zinc. The company is undertaking a huge expansion program that will raise its output of copper by almost 80% by 2025, to 1.8 million tones per year.

Vale's average selling price for nickel during the third quarter of 2018 showed the highest percentage difference over the benchmark price on the London Metal Exchange for the past 10 years, according to the Brazilian miner's latest earnings report, released on Wednesday.

Vale, the world's largest producer of iron ore and nickel, believes that its base metals division will be completely different by 2020, The market for Turkish lumpy chrome ore showed signs of strong recovery late last week and, although the market appears to have stalled since then, the uptrend looks set to resume.

Support and Resistance

Column1	Column2
ZINC	COPPER
RESISTANCE2: 204.20	RESISTANCE2:458.25
RESISTANCE1: 200.40	RESISTANCE1:446.50
SUPPORT1: 195.20	SUPPORT1: 439.40
SUPPORT2: 191.80	SUPPORT2: 427.80

Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOS
ZINC	SELL	199.70	197.60	195.50	193.20	203.20
COPPER	SELL	447.00	441.20	435.10	424.60	457.00



Energy

Despite a slight gain on the day, crude futures in both New York and London fell as much as 3% on the week for their third-straight weekly loss. The last time oil saw such a bearish trend was between the final weeks of July to mid-August. From there, it took off into one of its most bullish periods for this year, hitting four-year highs, before the rally came to a sudden halt earlier this month.

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Saudi OPEC governor Adeb Al-Aama indicated in an interview with Reuters on Thursday that production cuts may happen before year-end. But Saudi Energy Minister Khalid al-Falih said earlier this week the kingdom will pump as much crude as necessary to ensure minimum disruption to global supplies from U.S. sanctions on Iranian oil exports beginning Nov. 4.

Support and Resistance

Column1
CRUDE OIL
RESISTANCE2: 5130
RESISTANCE1: 5017
SUPPORT1: 4825
SUPPORT2: 4671

Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOSS
CRUDE	SELL	5000	4918	4822	4702	5158



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