

Weekly Mcx Newsletter

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HIGHLIGHT INVESTMENT RESEARCH
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Commodity Overview

After a sluggish start to December, the dollar has picked up steam in recent days ahead of next week's Federal Reserve policy meeting, where investors widely expect the central bank to announce a fourth rate hike for the year.

Benchmark COMEX gold futures for February settled down \$6, or 0.5% at \$1,241.40 per troy ounce. For the week, it was down almost 1%, its largest weekly loss in five.

The Dollar Index, which measures the greenback against six major currencies, was up 0.4% at 97.46 by 1:45 PM ET (18:45 GMT) after racing earlier to a May 2017 high of 97.715.

London Metal Exchange base metal prices were broadly higher on Thursday December 13 due to an easing in China-US trade tensions, with the three-month zinc contract gaining ground due to historic low inventories.

In base metals, COMEX copper fell 0.3% to \$2.76 per pound.

After Thursday's higher close of 2.8%, spurred by a surprise inventory drawdown at the delivery hub for U.S. crude, oil prices settled down almost that much on Friday as signs of slowing growth in China dampened hopes for demand.



Precious Metals

A contrarian trade to bullion, the dollar hit 19-month highs after Beijing's weakest retail sales performance in 15 years and smallest industrial output in almost three years cast doubts about demand in the No. 2 economy. Investors retreated from equity markets all over, putting Wall Street's S&P 500 on track to a second weekly loss.

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Fed Rate Monitor Tool has priced in a 79.2% chance of the central announcing a 2.00%-2.25% hike at the conclusion of its Dec. 19 policy meeting.

In the trade of other precious metals on COMEX on Friday, silver slipped by 1.3% to \$14.83 per ounce.

Support and Resistance

Column1	Column2
GOLD	SILVER
RESISTANCE2:32130	RESISTANCE2:38900
RESISTANCE1:31890	RESISTANCE1:38400
SUPPORT1: 31450	SUPPORT1: 37780
SUPPORT2: 31040	SUPPORT2: 37210

Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOSS
GOLD	SELL	31650	31470	31250	31060	31910
SIVLER	SELL	38400	38220	37920	37525	38820



Base Metals

The European hot-rolled coil market has remained under pressure from the traditional seasonal slowdown in demand and uncertainty over the final decision in a safeguarding case, sources told Fastmarkets this week.

The pig iron export market in the Commonwealth of Independent States remained inactive during the week ended Thursday as buyers preferred to postpone bookings ahead of the year-end holidays.

Brazil's Companhia Siderúrgica Nacional plans to increase its iron ore production, focusing on pellet feed products in the next five years, an investor presentation showed.

As part of its series on blockchain in commodities, Fastmarkets takes a closer look at the evolution of blockchain networks for trade finance.

UK ferrous scrap prices for deliveries in December have uniformly dropped by £20 per tonne due to weaker export prices and a slowdown in domestic consumer demand, trade sources told Fastmarkets MB.

Turkish steel mills remain out of the deep-sea scrap markets, and are unlikely to resume buying any time soon due to the continuing lack of demand for finished steel in the country's domestic and export markets.

Support and Resistance

Column1	Column2
ZINC	COPPER
RESISTANCE2: 192.20	RESISTANCE2:453.40
RESISTANCE1: 188.30	RESISTANCE1:447.50
SUPPORT1: 182.70	SUPPORT1: 434.60
SUPPORT2: 179.30	SUPPORT2: 428.30

Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOS
ZINC	SELL	188.80	185.20	182.60	180.10	191.90
COPPER	SELL	447.90	444.50	439.20	433.20	451.60



Energy

U.S. drillers cut four rigs this week, adding to last week's drop of 10 rigs, which were the most in more than two years, oil services firm Baker Hughes said in its closely-watched weekly data. Shale firms cut back on drilling activity after oil prices fell by a third over the past two months. Still, that didn't stop the United States from briefly turning into a net oil exporter for the first time in history earlier this month.

Contrary to market expectations, oil prices have barely recovered since the Saudi-dominated OPEC, and its allies led by Russia, pledged last week to reduce a total of 1.2 million barrels per day from global supplies over the next six months, defying U.S. President Donald Trump, who had demanded that producers keep their crude flowing at the lowest prices possible.

U.S. West Texas Intermediate crude settled down \$1.38, or 2.6%, at \$51.20 per barrel. It was down by a similar percentage on the week.

U.K. Brent, the global benchmark for crude, fell by \$1.40, or 2.1%, to \$60.05 by 2:48 PM ET (19:48 GMT)

Even a third-straight weekly drop in the U.S. oil rig count didn't provide much help to oil.

Support and Resistance

Column1
CRUDE OIL
RESISTANCE2: 4050
RESISTANCE1: 3880
SUPPORT1: 3615
SUPPORT2: 3420

Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOSS
CRUDE	SELL	3880	3800	3710	3580	4010



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