

Weekly Mcx Newsletter

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HIGHLIGHT INVESTMENT RESEARCH
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Commodity Overview

Gold prices rose on Friday and were on track for a weekly gain of 0.3% as traders kept an eye on trade talk developments between the U.S. and China.

Comex gold futures for April delivery jumped 0.3% to \$1,331.55 an ounce as of 10:10 AM ET (15:10 GMT) after falling 1.5% on Thursday.

Zinc smelters have submitted bids for treatment charges (TCs) of up to \$280 per tonne for annual contracts, kicking off concentrate supply negotiations ahead of the International Zinc Association (IZA) conference to be held in Scottsdale, Arizona, February 24-27.

Oil prices pressed higher, marking fresh three-month highs on Friday, as investors celebrated a meeting between U.S. President Donald Trump and China's top trade representative, Vice Premier Liu He.

New York-traded West Texas Intermediate crude futures rose 50 cents, or 0.88%, at \$57.46 a barrel by 9:39 AM ET (14:39 GMT), after touching \$57.81 earlier, its best level since November of last year.



Precious Metals

Gold prices rose on Friday and were on track for a weekly gain of 0.3% as traders kept an eye on trade talk developments between the U.S. and China.

Comex gold futures for April delivery jumped 0.3% to \$1,331.55 an ounce as of 10:10 AM ET (15:10 GMT) after falling 1.5% on Thursday.

U.S. President Donald Trump is expected to meet with Chinese Vice Premier Liu He at 2:30 PM ET (19:30 GMT) as the two countries rush to find a deal before the March 1 deadline when the U.S. would increase tariffs on Chinese goods to 25% from its current 10%.

The price of bullion was also driven higher by a weaker dollar, which the precious metal is linked to. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, slipped 0.05% to 96.41.

Meanwhile, investors are also looking ahead to speeches from Federal Reserve officials for clues on how long with central bank will pause interest rate hikes.

The Fed has paused its pace of rate hikes and may not run down its balance sheet by as much as first thought, minutes from the central bank showed on Wednesday.

Higher rates are a negative for gold as the precious metal, which does not pay interest, struggles to compete with yield-bearing assets when rates rise.

Other metals were higher on the Comex, with silver futures up 0.39% at \$15.86 a troy ounce.

Support and Resistance

Column1	Column2
GOLD	SILVER
RESISTANCE2:33920	RESISTANCE2:40970
RESISTANCE1:33650	RESISTANCE1:40480
SUPPORT1: 33350	SUPPORT1: 40040
SUPPORT2: 32840	SUPPORT2: 39470

Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOSS
GOLD	SELL	33640	33430	33210	33900	33920
SIVLER	SELL	40400	40040	39740	39280	40810



Base Metals

Fastmarkets assessed zinc concentrate TCs at \$215-250 per tonne on February 22 from \$210-240 per tonne in January, which reflects the gap between the low volumes of trader and smelter purchasing. A tender for 18,000 tonnes of Casapalca zinc concentrates was said to be awarded at TCs of \$169 per tonne, cif China equivalent, although several market sources noted that the cargo would be delivered by truck to a Peruvian smelter, netting terms back closer to \$210 per tonne. Meanwhile, smelters bought clean concentrates above \$240 per tonne in deals reported to Fastmarkets. Many are bidding at TCs above \$250 per tonne for clean concentrates, while some deals were reported at around \$300 per tonne for complex material.

Trading was at its highest level since July 2018, and only a month earlier copper's three-month price had reached levels in excess of \$7,000 per tonne. The red metal's traded volumes topped the complex over the afternoon, closing at 21,478 lots. Additionally, the International Copper Study Group (ICSG) estimated that the refined copper market showed a deficit of 395,000 tonnes in the first 11 months of 2018, which included a deficit of 52,000 tonnes in November alone. "The LME three-month copper price finally broke above its

Support and Resistance

Column1	Column2
ZINC	COPPER
RESISTANCE2: 199.70	RESISTANCE2:475.50
RESISTANCE1: 196.00	RESISTANCE1:467.20
SUPPORT1: 190.40	SUPPORT1: 453.00
SUPPORT2: 186.70	SUPPORT2: 448.70

Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOSS
ZINC	BUY	193.80	196.20	199.80	202.70	191.00
COPPER	BUY	458.50	463.00	467.00	472.50	453.40



Energy

Oil prices pressed higher, marking fresh three-month highs on Friday, as investors celebrated a meeting between U.S. President Donald Trump and China’s top trade representative, Vice Premier Liu He. New York-traded West Texas Intermediate crude futures rose 50 cents, or 0.88%, at \$57.46 a barrel by 9:39 AM ET (14:39 GMT), after touching \$57.81 earlier, its best level since November of last year.

Meanwhile, Brent crude futures, the benchmark for oil prices outside the U.S., traded up 32 cents, or 0.48%, to \$67.39, backing off of \$67.72, which was also its best level in three months.

Investors are also wary of escalating production in the U.S., which the Energy Information Administration reported Thursday had hit a record high of 12 million barrels per day last week.

Markets interpreted the fact that Trump agreed to meet with Liu at 2:30 PM ET (19:30 GMT) on Friday as a sign that trade discussions were progressing and the implementation of an increase in U.S. tariffs on Chinese products on March 1 would likely be delayed.

Lastly, natural gas futures lost 0.22% to \$2.691 per million British thermal units.

Support and Resistance

Column1
CRUDE OIL
RESISTANCE2: 4247
RESISTANCE1: 4155
SUPPORT1: 4040
SUPPORT2: 3856

Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOSS
CRUDE	BUY	4050	4100	4150	4230	3970



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