

# Weekly Mcx Newsletter

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HIGHLIGHT INVESTMENT RESEARCH  
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## INSIDE THIS ISSUE

1. Commodity Overview
2. Precious metal
3. Base metals
4. Energy
5. Our recommendations
6. Disclaimer

## Commodity Overview

Gold prices were little changed on Monday in Asia as equities gained despite Sino-U.S. trade tensions.

Asian stocks are trading mostly in the green even after U.S. President Donald Trump said he is not ready to make a trade deal with China, which set the yuan's midpoint at levels weaker than 7 for three consecutive sessions.

Gold Futures traded on the Comex division of the New York Mercantile Exchange were little changed at \$1,508.15 by 1:10 AM ET (05:10 GMT).

DUBAI (Reuters) - Top oil producer Saudi Aramco maintained its position as the world's most profitable company on Monday even as it reported a 12% drop in first-half net income to \$46.9 billion due to lower oil prices.

There is nothing in the forecasts to support the start of a long-term rally, conversely, there is not a lot in the forecast to spike price sharply lower either. This leads me to believe we're likely to see another week of two-sided trading.

Base metals prices on the Shanghai Futures Exchange broadly ticked higher during morning trading on Monday August 12 following the retreat in the dollar index over the weekend, although zinc and tin bucked the trend.



## Precious Metals

Gold prices held steady in holiday-thinned trade on Monday, trading near the psychological \$1,500 level, as uncertainties around the Sino-U.S. trade war and concerns about slowing global economic growth offered support.

Spot gold [XAU=](#) was little changed at \$1,496.20 per ounce at 0556 GMT.

U.S. [gold futures](#) GCcv1 were flat at \$1,508.30 an ounce.

Many markets in Asia, including Singapore and Japan, were closed for a holiday on Monday.

On Friday, U.S. President Donald Trump said he was not ready to make a deal with China and even called the September round of trade talks into question. risk to higher gold prices has been resolution in the U.S. -China trade talks, so the comment made by Trump on Friday clearly diminishes the likelihood of resolution anytime soon," said ANZ analyst Daniel Hynes.

### Support and Resistance

Column1
GOLD
RESISTANCE2:38388
RESISTANCE1:32240
SUPPORT1: 38130
SUPPORT2: 37620

### Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOSS
GOLD	BUY	37920	38130	38270	38480	37740



## Base Metals

Leading on the upside was nickel with the metal’s most-traded October contract rising to 126,050 (\$17,846) yuan per tonne as at 9.33am Shanghai time, up by 1,160 yuan, or 0.93%, from last Friday’s close of 124,890 yuan per tonne.

Copper, aluminium and lead also were also in positive territory during morning trading, but to lesser extents: October copper (+0.39%), October aluminium (+0.50%), September lead (+0.92%). Zinc and tin, however, bucked the stronger tone exhibited by their peers: October zinc was down 1.39% and September tin fell 1.32%.

Zinc exhibited the most pronounced weakness among its peers on the SHFE, with the metal’s most-traded October contract falling to 18,405 yuan per tonne, down by 260 yuan per tonne from last Friday’s close of 18,665 yuan per tonne.

In EU data on Friday, the United Kingdom’s gross domestic product (GDP) figure on a month on month basis for the July-August period was flat at 0%, while preliminary GDP on a quarter-on-quarter basis fell by 0.2%.

In Chinese data on Friday, the country’s July Consumer Price Index (CPI) posted a 2.8%-year-on-year rise, beating the forecast and previous value of 2.7%. Meanwhile, China’s July Producer Price Index (PPI) recorded a year-on-year drop of 0.3%, weaker than the expected 0 %.

### Support and Resistance

Column1
ZINC
RESISTANCE2: 191.70
RESISTANCE1: 187.25
SUPPORT1: 180.75
SUPPORT2: 174.75

### Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOSS
ZINC	SELL	183.20	180.20	175.20	167.50	188.20



## Energy

Crude oil imports for the first seven months of the year were 4.17 million bpd, according to Refinitiv, down from 4.4 million for the same period last year.

This decline in crude imports does tally with weaker economic growth in India, with gross domestic product (GDP) growth slowing to 5.8% in the January to March period, the weakest rate in more than four years. Data for the second quarter still has to be released, but the government forecast that GDP growth will accelerate back to 7% for the fiscal year to the end of March 2020.

However, analysts have expressed doubts over the target, especially after the budget did little to boost stimulus and raised taxes. recent weakness in crude oil imports has largely been mirrored in coal, with July's inbound shipments of 14.5 million tonnes the lowest since January, according to Refinitiv data.

Natural gas demand in the United States is growing. It's growing thanks to the switch from coal to gas-fired power generation and thanks to the growth in liquefied natural gas exports. And yet this week, gas futures fell to the lowest since 2016 while spot prices slumped to the lowest in as much as two decades.

### Support and Resistance

Column1
CRUDE OIL
RESISTANCE2: 4186
RESISTANCE1: 4474
SUPPORT1: 3780
SUPPORT2: 3522

### Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOSS
CRUDE	SELL	4030	3920	3774	3612	4180



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