

# Weekly Mcx

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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 moved higher pushing upward from a cup and saucer continuation pattern. This is generally a pause that refreshes higher. Short-term support is seen near the 10-day moving average at 1,557. Resistance is seen near the January highs at 1,611. The movement of the relative strength index (RSI) is positive and shows that the trend is moving higher with accelerating positive momentum. Medium-term momentum has turned negative as the MACD (moving average convergence divergence) index generated a crossover sell signal. This occurs as the MACD line (the 12-day moving average minus the 26-day moving average) crosses above the MACD signal line (the 9-day moving average of the MACD line). The MACD histogram is printing in the-red with a declining trajectory which points to lower prices

Oil production in the seven most prolific shale plays in the U.S. is set to increase by 22,000 bpd in February to 9.2 million bpd, the EIA said in its latest monthly Drilling Productivity Report earlier this week. Year over year, the Permian basin's production in February 2020 would be an increase of 800,000 bpd.

The Bloomberg Industrial Metals Subindex Total Return, which tracks copper, aluminum, zinc and nickel, slipped 1.3%, poised for the steepest four-day decline since September 2018. The wider commodities gauge is set for the biggest weekly loss since December 2018

Copper saw its worst streak of losses since mid-2018 as more patients were infected by the deadly coronavirus in the U.S., spurring a sell-off in riskier assets while boosting gold's haven appeal



## Precious Metals

Gold had initially been slow to react to potential economic fallout from coronavirus but caught up over the past two days. Fears of a global contagion from the coronavirus has pummeled stock markets worldwide, with Wall Street's S&P500 Index down almost 1% on Friday, heading for its biggest drop since October, as investors dumped risk everywhere and piled into the safety of U.S. Treasuries and other protection-assuring assets.

Gold jumped to a more than two-week high on Friday as the latest updates on the coronavirus dented risk sentiment, and prompted a flight into safe-haven assets.

Spot gold XAU= rose 0.5% to \$1,570.10 per ounce by 11:08 a.m. EST (1608 GMT), holding above the key \$1,550 level, its highest since Jan. 8.

### Support and Resistance

Column1
GOLD
RESISTANCE2: 40920
RESISTANCE1: 40636
SUPPORT1: 39871
SUPPORT2: 39390

### Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOSS
GOLD	BUY	40000	40400	40800	41200	39650



## Base Metals

The Bloomberg Industrial Metals Subindex Total Return, which tracks copper, aluminum, zinc and nickel, slipped 1.3%, poised for the steepest four-day decline since September 2018. The wider commodities gauge is set for the biggest weekly loss since December 2018

Base metal stock We suspect that even more demand destruction fear is justified because the virus will also undermine Chinese sentiment and dampen the biggest shopping period of the Chinese calendar

Copper, often a barometer of global growth, fell 1.5% to settle at \$2.684 a pound at 1:02 p.m. on the Comex in New York. March futures are down 6.6% since mid-January, the biggest seven-session loss for a most-active contract since July 11, 2018.

### Support and Resistance

Column1
COPPER
RESISTANCE2: 463.35
RESISTANCE1: 451
SUPPORT1: 431.85
SUPPORT2: 425.05

### Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOSS
COPPER	SELL	438	433	427	420	447



## Energy

Oil headed for its worst weekly slump in more than a year amid fears that China’s coronavirus will cripple fuel demand just as markets struggle with a fragile world economy and adequate supplies.

Futures sank as much as 2.9% in London to approach \$60 a barrel for the first time since November as deaths from the coronavirus rose to 25 and China expanded travel restrictions for over 40 million people in an attempt to halt contagion. The U.S. is monitoring more than 60 people for potential infection, The fast-spreading virus is the latest challenge for a market that’s been buffeted this year by geopolitical turmoil in the Middle East and North Africa, as well as the phase-one trade deal between Beijing and Washington, if the coronavirus has an impact similar to the 2003 SARS epidemic, demand could be curbed by 260,000 barrels a day.

Brent crude for March settlement fell \$1.54 to \$60.50 a barrel on the ICE .Futures Europe exchange as of 1:05 p.m. in New York. Futures were on track for a weekly loss of 6.7%, the biggest since Dec. 21, 2018.West Texas Intermediate futures for March delivery slipped \$1.37 to \$54.22 a barrel on the New York Mercantile Exchange.

### Support and Resistance

Column1
CRUDE OIL
RESISTANCE2: 4353
RESISTANCE1: 4113
SUPPORT1: 3741
SUPPORT2: 3609

### Our Recommendations

SCRIPT	POSITION	LEVEL	TARGET1	TARGET2	TARGET3	STOPLOSS
CRUDE	SELL	3800	3650	3500	3350	3920



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