

Bullion Gold

On Thursday, spot gold prices rose 0.42 percent to close at \$1322.3 per ounce hitting its highest in nearly four months as the dollar swooned after a report that Chinese officials had recommended slowing or halting purchases of U.S. Treasury securities.

The dollar, already under pressure versus the Japanese yen after the Bank of Japan moved to trim its long-dated government bond purchases this week, was on track to post its biggest single-day drop against the yen in seven weeks. The greenback also lost ground against a basket of major currencies.

On the MCX, gold prices rose 0.3 percent to close at Rs.29374 per 10 gms.

Silver

Spot silver prices rose by 0.2 percent to close at \$17 per ounce in line with rise in gold prices.

On the MCX, silver prices declined 0.28 percent to close at Rs.39361 per kg.

Outlook

We expect gold prices to trade higher continuing its momentum from the previous trading session while the actions by China to slowdown treasury purchases results in to weak dollar in turn higher commodity prices.

On the MCX, gold prices are expected to trade higher today, international markets are trading higher by 0.54 percent at \$1329 per ounce.

Technical Outlook valid for January 12, 2018

COMMODITY	SUPPORT	RESISTANCE
SPOT GOLD (\$/OZ)	1322/1316	1333/1338
MCX GOLD FEB'18 (Rs/10GMS)	29250/29160	29580/29670
NCDEX GOLD HEDGE JAN'18 (Rs/KG)	26870/26770	27080/27230
SPOT SILVER (\$/OZ)	16.95/16.75	17.30/17.45
MCX SILVER MAR'18 (Rs/KG)	38700/38200	39250/39600

Market Highlights (% change) as on Jan 11, 2018

INDICES	LAST	CHANGE	WOW	MOM	YOY
INR/\$ (Spot)	63.7	-0.09	-0.6	1.0	7.0
Euro/\$ (Spot)	1.2	0.72	0.0	2.2	13.4
Dollar Index	91.9	-0.5	-0.1	-1.7	15.6
NIFTY	10651.2	0.18	0.9	3.2	26.7
SENSEX	34503.5	0.20	1.0	3.1	88.7
DJIA	25574.7	0.81	2.0	4.0	28.6
S&P	2767.56	0.7	0.9	4.0	21.9

Gold (% change) as on Jan 11, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
GOLD (SPOT)	1322.3	0.42	0.2	6.5	10.6
GOLD (SPOT - MUMBAI)	28625.0	-3.46	-2.7	0.4	-1.1
COMEX	1320.6	0.24	0.1	6.0	11.5
MCX(FEB'18)	29374.0	0.30	0.8	3.6	3.5

(Comex, Gold spot in \$ per ounce, MCX, Gold spot Mumbai in Rs/10 gms) Source: Reuters

Gold Options as on Jan 11, 2018

COMMODITY	OPEN	HIGH	LOW	CLOSE	CHG
MCX GOLD (CALL@30000)	34.50	38.50	32.00	36.00	-0.05
MCX GOLD (PUT@29000)	62.00	75.00	53.00	57.00	-0.15

Silver (% change) as on Jan 11, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
SILVER (SPOT)	17.0	0.2	-1.5	8.0	1.2
SILVER (SPOT - MUMBAI)	38550.0	-0.6	0.0	-0.3	-7.0
COMEX	16.9	-0.4	-1.8	6.6	0.7
MCX (MAR'18)	39361.0	-0.28	-0.9	5.2	-5.0

(Comex in \$ per ounce, MCX, Silver spot in Rs/kg) Source: Reuters

Energy

Crude Oil

WTI oil prices rose 0.4 percent to close at \$63.8 per barrel and settled near three-year highs after U.S. government data showed a drop in crude inventories and production, even as fuel inventories rose.

U.S. crude inventories fell 4.9 million barrels last week, more than the 3.9-million decline forecast, but bigger-than-expected builds in gasoline and fuel stocks offset that drawdown.

The oil market has been buoyant for weeks, with U.S. crude futures at highs not seen since late 2014, and Brent crude less than \$1 per barrel away from a similar milestone.

On the MCX, oil prices rose 1.6 percent to close at Rs.4100 a barrel.

Outlook

We expect oil prices to trade higher continuing its positive momentum from the previous trading session as continuous withdrawal of oil inventory in the US and fall in production are push factors.

On the MCX, oil prices are expected to trade higher today, international markets are trading marginally lower by 0.27 percent at \$63.63 a barrel.

Technical Outlook

valid for January 12, 2018

COMMODITY	SUPPORT	RESISTANCE
NYMEX CRUDE OIL (\$/BBL)	63.12/62.47	64.20/64.70
MCX CRUDE JAN'18 (RS/BBL)	4060/4015	4150/4195
BRENT CRUDE (\$/BBL)	62.75/62.10	63.80/64.35

Market Highlights - Crude Oil (% change) as on Jan 11, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
BRENT (SPOT)	71.2	0.8	3.9	7.6	31.0
NYMEX CRUDE (JAN'17)	63.8	0.4	3.8	10.0	22.1
ICE BRENT CRUDE (FEB'17)	69.3	0.1	2.4	7.1	23.7
MCX CRUDE (JAN'18)	4100.0	1.6	5.5	10.2	13.5

(Brent & NYMEX Crude in \$ per bbl, MCX Crude in Rs/bbl)

Source: Reuters

Market Highlights - Natural Gas (% change) as on Jan 11, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
NYMEX NG	3.1	7.7	12.4	11.8	-7.2
MCX NG (JAN'18)	195.4	5.4	10.3	7.0	-15.6

(NYMEX NG in \$/MMbtu, MCX NG in Rs/MMBtu)

Source: Reuters

Base Metals

Base metals traded lower on Thursday except Zinc as global investors cautiously awaited China's trade balance report after mixed inflation data early this week although sharp losses were restricted by a weaker DX.

MCX base metals apart from Zinc traded lower in line with international trends.

Copper

LME Copper prices traded marginally lower to close at \$7140.5/t yesterday as China's unwrought copper imports fell 4.3 percent in December from record imports in November.

However, sharp weakness in the DX limited sharp downside. Dollar continues its downward momentum after a report that officials reviewing China's foreign-exchange holdings have recommended slowing or halting purchases of U.S. government bonds.

Also, consistent increase in net longs position in CFTC holdings for four weeks in a row indicates strong investor interest.

MCX copper prices traded lower by 0.2 percent on Thursday to close at Rs.456.2/kg.

Zinc

Zinc prices continue to touch record highs on both LME and MCX boosted by low inventories and tightness concerns. In addition to this, latest report from China's state-run metals consultancy Antaike showed mainland's zinc and zinc alloy production fell by 1.5 percent in 2017 to 4.73 million tonnes citing low processing fees, inadequate concentrate supply and impact of strict environmental inspections.

Outlook

LME Copper prices are currently trading higher by 0.2 percent at \$7141.5/t. Copper prices are likely to trade higher today as China trade balance data came up on an encouraging note with 7.9 and 15.9 percent surge in exports and imports respectively.

MCX Copper prices will likely trade higher today.

Technical Outlook valid for January 12, 2018

COMMODITY (RS/KG)	SUPPORT	RESISTANCE
MCX COPPER FEB'18	452/449	459/462
MCX ZINC JAN'18	215.20/214.10	217.90/219.80
MCX LEAD JAN'18	161.50/160	164.10/165.30
MCX ALUMINIUM JAN'18	137.60/136.60	139.90/142.20
MCX NICKEL JAN'18	795/782	812/824

Market Highlights – Base Metals (% change) as on Jan 11, 2018

COMMODITY	LAST	CHANGE	WOW	MOM	YOY
LME Copper (3 month)	7140.5	-0.2	0.3	7.1	22.2
MCX Copper (FEB'18)	456.2	-0.2	0.8	5.7	13.5
LME Aluminum(3 month)	2182.0	-0.2	-1.1	7.6	22.0
MCX Aluminum (JAN'18)	138.8	-0.1	-0.3	6.8	14.2
LME Nickel(3 month)	12610.0	-2.0	0.5	12.5	22.1
MCX Nickel (JAN'18)	802.8	-2.0	1.1	11.3	14.4
LME Lead(3 month)	2549.0	-0.2	-0.2	2.2	14.9
MCX Lead (JAN'18)	162.7	-0.2	0.5	1.0	8.1
LME Zinc(3 month)	3380.5	0.9	0.9	8.0	23.2
MCX Zinc (JAN'18)	216.7	0.9	1.3	7.5	16.4

Source: Reuters

LME Inventories in tonnes

COMMODITY	1/9/18	1/8/18	CHG	%CHG
COPPER	201650	203750	-2100	-1.03%
ALUMINIUM	1088325	1090525	-2200	-0.20%
NICKEL	368292	365868	2424	0.66%
ZINC	180175	180225	-50	-0.03%
LEAD	142575	143450	-875	-0.61%

Source: Reuters

Economic indicators to be released on 12-Jan-18

INDICATOR	COUNTRY	TIME (IST)	ACTUAL	FORECAST	PREVIOUS	IMPACT
CPI m/m	US	7:00pm	-	0.1%	0.4%	High
Core CPI m/m	US	7:00pm	-	0.2%	0.1%	High
Core Retail Sales m/m	US	7:00pm	-	0.3%	1.0%	High
Retail Sales m/m	US	7:00pm	-	0.5%	0.8%	High

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