Bloomberg UTV FINANCIAL LEADERSHIP AWARDS 2012
Broker with the Best Commodity Research - Angel Commodities Broking Pvt. Ltd. 2011 & 2012

International Commodities

Content

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International Commodities

Overview

- US pending home sales increases by 4.1 percent in March.
- S&P cuts Spain credit rating by two notches to BBB+ from the previous A.
- US natural gas inventory increases by 47 bcf to 2.548 tcf last week.

Asian markets are trading on a mixed note today taking cues strong US housing data and earnings, but downgrading of Spain's credit rating by Standard & Poor's (S&P) increased concerns over Euro Zone debt worries which acted as a negative factor for the market sentiments. S&P downgraded Spain's credit rating by two notches to BBB-plus from the previous A with a negative outlook.

US Unemployment Claims declined by 1,000 to 388,000 for the week ending on 20th April from previous 389,000 a week ago. Pending Home Sales increased by 4.1 percent in March compared to previous rise of 0.4 percent in February.

The US Dollar Index (DX) declined around 0.2 on Thursday on the back of upbeat sentiments in the global markets as better-than-expected pending home sales overshadowed the unfavorable unemployment claims data from the country. Rise in risk appetite in global markets affected demand for the low-yielding dollar. The index touched an intra-day low of 79.90 and closed at 79.00 yesterday.

In the initial part of the trading session, revival in the global markets due to Fed's statement led the Euro to trade higher on Thursday. But, the currency erased its gains as economic confidence in the Euro Zone declined more than expected to 92.8-mark in April from the previous level of 94.5 in the last month.

Additionally, Standard & Poor's (S&P) downgraded Spain's credit rating by two notches to BBB-plus from the previous A with a negative outlook. This increased concerns with respect to Euro Zone debt worries. The Euro touched an intra-day low of 1.3197 and closed at 1.3211 yesterday.

British Bankers' Association (BBA) Mortgage Approvals fell to the lowest in 10 years at 31,888 in March compared to 32,840 a month ago. Confederation of British Industry (CBI) declined to 6-level in current month. UK's GfK Consumer Confidence remained unchanged at -31-mark in current month.

Japan's Manufacturing Purchasing Managers' Index (PMI) declined by 0.4 points to 50.7-level in April as against previous mark of 51.1 a month ago. Household Spending increased by 3.4 percent in March compared to 2.3 percent in February. Tokyo Core Consumer Price Index (CPI) declined by 0.5 percent in current month from previous decline of 0.3 percent in March.

Market Highlights (% change)

as on 26 April, 2012

	Last	Prev day	w-o-w	m-o-m	y-o-y
INR/$ (Spot)	52.4	0.1	-0.6	-2.1	-15.4
$/Euro (Spot)	1.3211	-0.1	0.6	-0.7	-10.6
Dollar Index	79.00	-0.2	-0.9	-0.4	7.2
NIFTY	5189.0	-0.2	-2.7	0.2	-11.1
SENSEX	17130.7	-0.1	-2.1	0.4	-11.9
DJIA	13204.6	0.9	1.9	0.4	4.0
S&P	1399.98	0.7	1.6	-0.9	3.3

Source: Reuters

Prelim Industrial Production in Japan increased by 1 percent in March with respect to previous decline of 1.6 percent in February. Retail Sales increased by 10.3 percent in last month from earlier rise of 3.4 percent in February. National Core CPI increased by 0.2 percent in March when compared to previous rise of 0.1 percent a month earlier. Unemployment Rate remained unchanged at 4.5 percent in March.

International Commodities

Bullion

Gold

Spot gold prices traded higher by 0.7 percent in yesterday's trading session on the back of Federal Reserve statement on US economy and stimulus measures. Additionally, positive pending home sales data from the US led to revival in the global markets and weakness in the US dollar which also support the yellow metal prices on Thursday.

Gold prices touched an intra-day high of $ 1660.60/oz and closed at $ 1654.90/oz yesterday. MCX Gold June contract rose around 0.7 percent and touched an intra-day high of Rs. 29,043/10 gms yesterday.

Silver

Taking cues from rise in gold prices coupled with weakness in the US dollar index helped spot silver prices to trade higher by more than 1 percent on Thursday.

In addition to this, positive home sales data from the US led to upbeat sentiments in the global markets which added further upside in the white metal prices yesterday. On the MCX, Silver May contract gained around 1.3 percent and hit an intra-day high of Rs. 56,048/kg on Thursday.

Outlook

Re-emergence of concerns with respect to Euro Zone debt crisis after S&P's downgrading will lead to weak sentiments in the markets and on account of this we expect the US dollar index to remain strong. Taking cues from this, we expect gold and silver to trade with a negative bias today. However, a weaker Rupee may cushion sharp decline on the MCX.

US Advance GDP in the first quarter of 2012 is expected to grow at a slower pace by 2.6 percent as compared to 3 percent in the prior quarter. If the data comes as expected then this will lead to further downside in prices.

Technical Outlook — valid for April 27, 2012

	Unit	Support	Resistance
Spot Gold	**$/oz**	1648/1633	1665/1673
MCX Gold Jun'12	**Rs/10 gms**	28944/28830	29100/29174
Spot Silver	**$/oz**	30.89/30.42	31.50/31.90
MCX Silver May'12	**Rs/kg**	55530/54950	56220/56530

Market Highlights - Gold (% change) — *as on 26 April, 2012*

Gold	Unit	Last	Prev day	WoW	MoM	YoY
Gold (Spot)	**$/oz**	1654.9	0.7	0.8	-0.4	8.4
Gold (Spot -Mumbai)	**Rs/10 gms**	28850.0	0.2	1.3	1.8	32.5
Gold (LBMA-PM Fix)	**$/oz**	1653.5	1.0	0.2	-0.2	9.4
Comex (Jun'12)	**$/oz**	1659.6	1.1	1.2	0.4	9.4
MCX (Jun'12)	**Rs /10 gms**	29030.0	0.7	1.3	2.9	31.2

Source: Reuters

Market Highlights - Silver (% change) — *as on 26 April, 2012*

Silver	Unit	Last	Prev day	WoW	MoM	YoY
Silver (Spot)	**$/oz**	31.0	1.1	-2.2	-3.7	-35.0
Silver (Spot -Mumbai)	**Rs/1 kg**	56400.0	-0.4	-0.7	0.2	-18.2
Silver (LBMA)	**$/oz**	3070.0	-0.6	-2.4	-3.4	-32.2
Comex (May'12)	**$/ oz**	3120.3	2.8	-1.8	-2.4	-32.1
MCX (May'12)	**Rs / kg**	55924.0	1.3	-1.2	-1.5	-18.7

Source: Reuters

Technical Chart – Spot Gold

Source: Telequote

International Commodities

Energy

Crude Oil

Nymex crude oil prices increased by 0.2 percent yesterday on the back of positive US economic data coupled with a weakness in the US dollar index. However, further upside in the oil prices was restricted on account of the news that Iran and Israeli officials may show conciliatory signs this week which will ease concerns that oil would be disrupted by military strike. Oil prices touched an intra-day high of $ 104.92/bbl and closed at $ 104.2/bbl in yesterday's trading session. On the MCX, prices traded on a flat note and closed at Rs.5,504/bbl after touching an intra-day high of Rs.5,519/bbl on Thursday.

News

Libya plans to surpass and produce the same crude oil output by June as it used to produce in pre-rebellion period. The country will soon start its largest refinery that was damaged in fighting during last year. As per the head of state-run National Oil Corp, Nuri Berruien, the country's production is expected to rise above 1.6 million barrels a day.

Natural Gas

Nymex natural gas prices declined by 2.1 percent yesterday taking cues from more than expected rise in US natural gas inventories. However, further downside in prices was restricted on account of weakness in US dollar index. Gas prices touched an intra-day low of $ 1.999/mmbtu and closed at $ 2.036/mmbtu in yesterday's trade. On the MCX, prices gained by 9.7 percent and closed at Rs.116.8/mmbtu on Thursday.

EIA Inventories Data

US Energy Information Administration (EIA) released its weekly inventories yesterday and US natural gas inventory has increased more than expected by 47 billion cubic feet (bcf) and stood at 2.548 trillion cubic feet for the week ending on 20th April 2012.

Outlook

From the intra-day perspective we expect crude oil prices to trade lower on account of S&P's downgrading which increased Europe's debt worries, ease in Iran nuclear talks, rise in Libya's crude oil output and expected strength in dollar index. However, depreciation in the Rupee may cushion sharp fall in oil prices on the Indian platform.

Technical Outlook valid for April 27, 2012

	Unit	Support	Resistance
NYMEX Crude Oil	$/bbl	103.70/103.20	104.50/105.40
MCX Crude May'12	Rs/bbl	5480/5454	5524/5544

Market Highlights - Crude Oil (% change) *as on 26 April, 2012*

Crude Oil	Unit	Last	Prev. day	WoW	MoM	YoY
WTI (Spot)	$/bbl	104.5	0.8	2.1	1.7	-6.9
Brent (Spot)	$/bbl	119.5	1.7	1.8	-3.7	-5.3
Nymex Crude (Jun'12)	$/bbl	104.2	0.2	2.2	1.7	-7.3
ICE Brent Crude (May'12)	$/bbl	119.9	0.7	1.6	-2.0	-4.2
MCX Crude (May'12)	Rs/bbl	5504.0	0.0	3.4	4.0	9.1

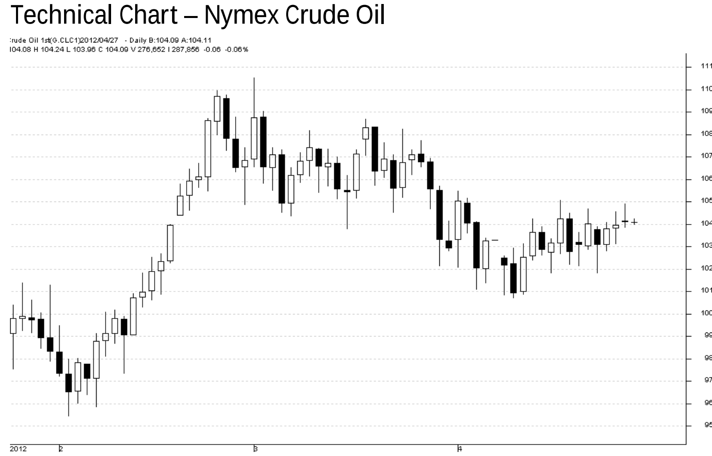
Source: Reuters

Market Highlights - Natural Gas (% change) *as on 26 April, 2012*

Natural Gas (NG)	Unit	Last	Prev. day	WoW	MoM	YoY
Nymex NG	$/mmbtu	2.036	-2.12	5.49	-11.09	-53.48
MCX NG (May'12)	Rs/ mmbtu	116.8	9.77	15.99	4.85	-41.01

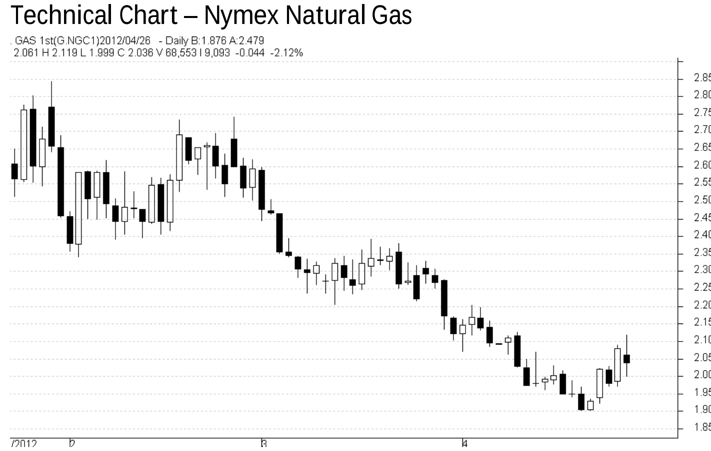
Source: Reuters

Technical Chart – Nymex Crude Oil



Source: Telequote

Technical Chart – Nymex Natural Gas



Source: Telequote

International Commodities

Base Metals

Federal Reserve's assurance to go for stimulus measures if needed to accelerate the world's largest economy coupled with positive pending home sales data from the US helped base metals complex to trade higher on the LME on Thursday. Moreover, upbeat sentiments in the global markets and weakness in the US dollar index also acted as a supportive factor for metal prices.

Copper

Copper prices gained more than 1.5 percent on the LME as well as on the MCX on Thursday. The red metal prices received support from Fed's statement on stimulus measures, favorable home sales data and declining copper inventories on the LME warehouses. Additionally, a weaker dollar index and revival in the global markets also acted as a positive factor.

The red metal touched an intra-day high of $ 8341/tonne and ended at $ 8333/tonne on Thursday. MCX Copper April contract hit an intra-day high of Rs. 436.60/kg and ended at Rs. 436.20/kg yesterday.

Outlook

We expect base metals to trade lower today as rising concerns over Euro Zone debt worries coupled with expected strength in the US dollar index will exert downside pressure on metal prices.

Additionally, US Advance GDP in the first quarter of 2012 is expected to grow at a slower pace and if the data comes as expected then this will lead to further downside in prices. However, depreciation in the Indian Rupee may hold further decline on the domestic bourses.

Technical Outlook valid for April 27, 2012

	Unit	Support	Resistance
MCX Copper Apr'12	**Rs /kg**	433.60/430.50	439.20/442.30
MCX Zinc Apr'12	**Rs /kg**	105.50/104.90	106.60/107.25
MCX Lead Apr'12	**Rs /kg**	110.15/109.50	111.40/112.0
MCX Aluminum Apr'12	**Rs /kg**	107.15/106.65	107.95/108.30
MCX Nickel Apr'12	**Rs /kg**	944/933	963/974

Market Highlights - Base Metals (% change) *as on 26 April, 2012*

	Unit	Last	Prev. day	WoW	MoM	YoY
LME Copper (3 month)	**$/tonne**	8333.0	1.6	3.6	-0.3	-11.2
MCX Copper (Apr'12)	**Rs/kg**	436.2	1.6	4.3	1.0	4.7
LME Aluminum (3 month)	**$/tonne**	2091.0	0.9	0.8	-2.4	-23.7
MCX Aluminum (Apr'12)	**Rs /kg**	107.7	0.4	1.1	-0.5	-11.7
LME Nickel (3 month)	**$/tonne**	18250.0	3.5	3.5	5.9	-31.8
MCX Nickel (Apr'12)	**Rs /kg**	952.9	2.9	3.4	8.2	-19.7
LME Lead (3 month)	**$/tonne**	2120.3	1.6	2.1	6.7	-16.1
MCX Lead (Apr'12)	**Rs /kg**	110.7	1.3	2.6	8.2	-2.5
LME Zinc (3 month)	**$/tonne**	2037.5	1.3	1.8	1.7	-9.2
MCX Zinc (Apr'12)	**Rs /kg**	106.0	1.1	2.0	3.4	6.7

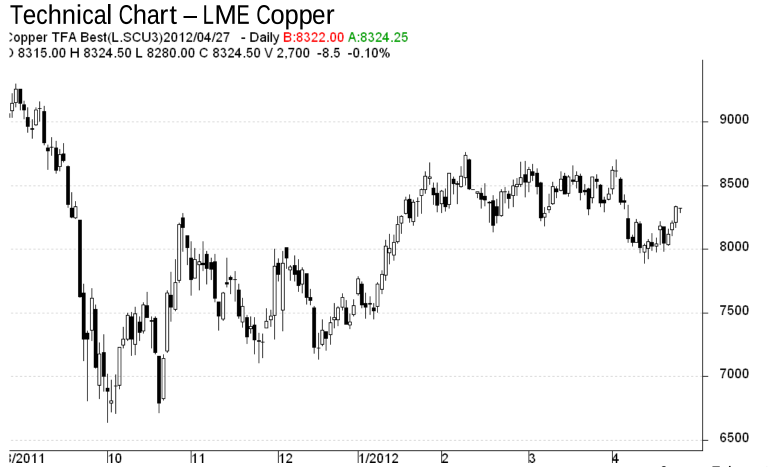
Source: Reuters

LME Inventories

	Unit	26th April	25th April	Change
Copper	**tonnes**	255,350	256,400	-1,050
Aluminum	**tonnes**	5,046,350	5,055,675	-9,325
Nickel	**tonnes**	100,734	100,830	-96
Zinc	**tonnes**	910,675	910,775	-100
Lead	**tonnes**	365,475	366,725	-1,250

Source: Reuters

Technical Chart – LME Copper



Source: Telequote

International Commodities

Important Events for Today

Indicator	Country	Time (IST)	Actual	Forecast	Previous	Impact
GfK Consumer Confidence	UK	4:31am	-31	-29	-31	Medium
Household Spending y/y	Japan	5:00am	3.4%	3.8%	2.3%	Medium
Tokyo Core CPI y/y	Japan	5:00am	-0.5%	-0.3%	-0.3%	Medium
Prelim Industrial Production m/m	Japan	5:20am	1.0%	2.4%	-1.6%	Medium
Retail Sales y/y	Japan	5:20am	10.3%	11.5%	3.4%	Medium
Monetary Policy Statement	Tentative	Japan	-	-	-	High
Overnight Call Rate	Tentative	Japan	-	<0.10%	<0.10%	High
GfK German Consumer Climate	Euro	11:30am	-	5.9	5.9	Medium
Nationwide HPI m/m	UK	27th – 30th	-	-	-1.0%	Medium
BOJ Outlook Report	Japan	11:30am	-	-	-	Medium
BOJ Press Conference	Japan	Tentative	-	-	-	High
French Consumer Spending m/m	Euro	12:15pm	-	-1.6%	3.0%	High
G7 Meetings	All	Tentative	-	-	-	High
Advance GDP q/q	US	6:00pm	-	2.6%	3.0%	High
Advance GDP Price Index q/q	US	6:00pm	-	2.3%	0.9%	Medium
Employment Cost Index q/q	US	6:00pm	-	0.5%	0.4%	Medium
Revised UoM Consumer Sentiment	US	7:25pm	-	75.8	75.7	Medium