

Metals & Energy

Pick of the Day

Commodity	Strategy	Levels	Target	Stop-Loss
Silver March	Sell	59,700	59,100	60,150
Gold Feb	Sell	30,920	30,700	31,050

Market Commentary

- Gold prices traded on a firm note, as poor global economic forecasts underpinned the safe have appeal for the yellow metal. In this regard, the World Bank has cut its global growth forecast for 2013 and is now projecting that the world economy will expand 2.4%, down from the previous forecast of 3%. The Bank has halved its US growth projection by 0.5% to 1.9% and predicted a second year of negative growth for Europe (-0.1%).
- Base metals ended lower, weighed by sluggish demand in European automobile sector. Demand for new cars in the EU has been reported at the lowest level in 17 years and it is expected that it can decline further. New registrations, which are used as a sales proxy, have declined by 8.2% in 2012 and are expected to drop by as much as 5% in 2013.
- WTI crude oil futures bucked the trend, with prices gaining 1% on the day. Prices once again settled above the crucial level of US\$94/bbl, aided by unexpected decline in US crude oil inventories. Energy Information Administration reported that US commercial crude inventories fell 951,000 barrels last week. U.S. gasoline stocks rose 1.91mn barrels and distillate stocks rose 1.69mn barrels, much less than the expectations. On geopolitical front, an attack on an Algerian gas field also underpinned the energy prices. Al Qaeda-linked Islamists have seized up to 41 hostages in a raid on a gas field plant in Algeria.

Precious metals

	High	Low	Close	%Chg	OI
MCX					
Gold(Feb) (Rs/10 gm)	30,934	30,821	30,892	0.1	19,706
Silver(Mar) (Rs/kg)	59,787	59,174	59,718	0.0	19,040
NCDEX					
Gold (Rs/10 gm)	30,901	30,901	30,901	0.0	4
Silver (Rs/kg)	63,350	62,527	62,527	0.0	60
COMEX (US\$/oz)					
Gold(Feb)	1,685	1,673	1,683	(0.0)	200,441
Silver(Mar)	31.6	31.1	31.5	0.0	75,226

Base metals

	High	Low	Close	%Chg	OI
MCX (Rs/kg)					
Alum.(Jan)	111.4	110.3	110.8	(0.3)	3,980
Copper(Feb)	442.8	438.4	438.6	(0.6)	38,761
Lead(Jan)	125.6	123.6	124.1	(0.8)	14,794
Nickel(Jan)	964.4	951.1	953.2	(0.5)	11,753
Zinc(Jan)	109.0	107.4	108.1	(0.5)	7,143
LME(3mths) (US\$/ton)					
Aluminum	2,060	2,029	2,045	(0.3)	6,011
Copper	8,021	7,920	7,946	(0.6)	4,903
Lead	2,298	2,257	2,266	(1.1)	2,114
Nickel	17,626	17,332	17,400	(0.6)	1,618
Tin	25,000	24,755	24,995	0.5	291
Zinc	2,003	1,967	1,980	(0.8)	3,637

Energy

	High	Low	Close	%Chg	OI
MCX					
Cr. oil(Jan) (Rs/bbl)	5,162	5,102	5,150	0.4	28,981
Nat.gas(Jan) (Rs/mmBtu)	190	185	187	(1.2)	21,961
NCDEX (Rs/bbl)					
Sweet Cr.oil	5,152	5,104	5,122	(0.1)	149
NYMEX					
Cr. oil(Feb) (US\$/bbl)	94.4	93.1	94.2	1.0	112,773
Nat.gas(Feb) (US\$/mmBtu)	3.5	3.4	3.4	(0.6)	111,902

Currency

	Close	Prev close	%Chg
INR/US\$	54.69	54.63	0.1
US\$/EUR	1.33	1.33	(0.1)
US\$/GBP	1.60	1.61	(0.4)
JPY/US\$	88.38	88.79	(0.5)

LME Inventory levels

('000 tons)	Close	Prev close	Chg
Aluminum	5,185	5,188	(3.3)
Copper	349	333	16.0
Lead	298	300	(1.6)
Nickel	147	147	0.3
Tin	13	13	0.1
Zinc	1,227	1,222	4.8

Pivot table

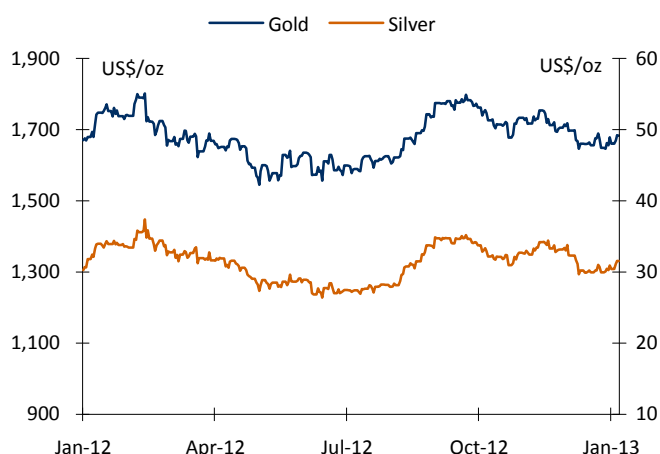
Commodity	MCX Levels					International Levels				
	R2	R1	Pivot	S1	S2	R2	R1	Pivot	S1	S2
Gold	31,005	30,963	30,892	30,850	30,779	1,695	1,693	1,683	1,682	1,672
Silver	60,331	60,262	59,718	59,649	59,105	32.0	32.0	31.5	31.5	31.1
Aluminum	112	111	111	110	110	2,077	2,062	2,045	2,030	2,014
Copper	443	439	439	434	434	8,047	7,972	7,946	7,871	7,845
Lead	126	125	124	123	122	2,307	2,275	2,266	2,234	2,225
Nickel	967	955	953	942	940	17,694	17,468	17,400	17,174	17,106
Zinc	110	109	108	107	106	2,017	1,994	1,980	1,957	1,944
Crude oil	5,210	5,198	5,150	5,138	5,090	95.5	95.4	94.2	94.1	93.0
Nat. Gas	192	189	187	183	181	3.5	3.5	3.4	3.4	3.3

A pivot is a level at which the market direction changes for the day. These points can be critical support and resistance levels for that day. Pivot levels are only broad indicators and not necessarily our view on the commodity.

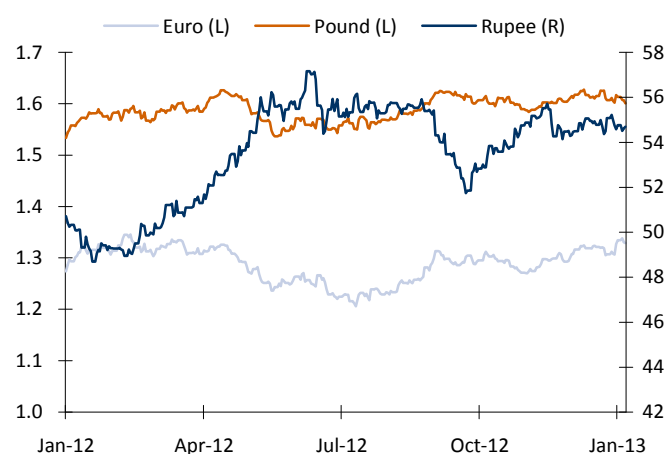
Important data to watch

Date	Country / Currency	Event	IST	Actual	Cons.	Previous
15-Jan	US	Retail Sales m/m	19:00	0.5%	0.2%	0.3%
	US	Empire State Manufacturing Index	19:00	-7.8	2.0	-8.1
16-Jan	US	Industrial Production m/m	19:45	0.3%	0.2%	1.0%
	US	Crude Oil Inventories	21:00	-1.0M	2.0M	1.0M
17-Jan	US	Housing Starts	19:00		0.89M	0.86M
	US	Philly Fed Manufacturing Index	20:30		7.1	8.1

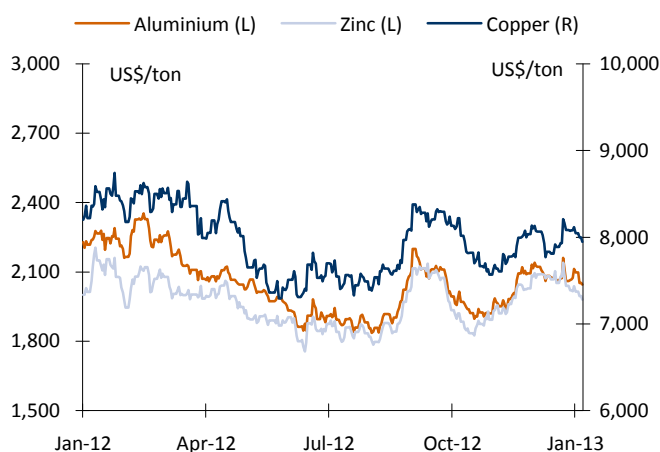
Precious metals



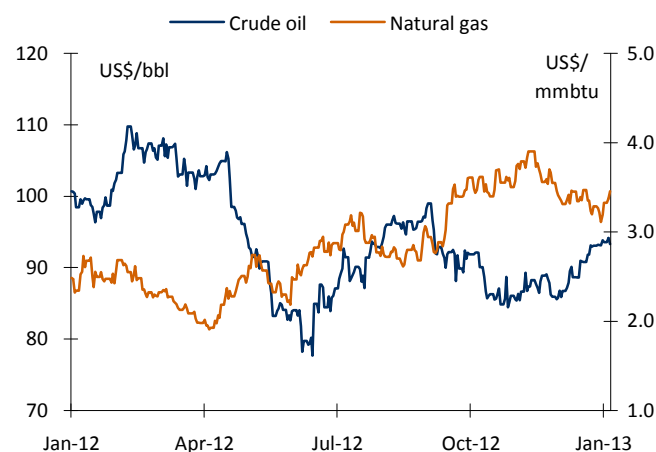
Currency



Base metals



Energy



Note:

Ideas given under the 'Commodities' section are for intraday purpose or up to a period of three trading sessions. Recommendations under this heading are not necessarily part of our fundamental buy or sell list.

Agri-products

Pick of the Day

Commodity	Strategy	Levels	Target	Stop-Loss
Castorseed Feb	Sell	3,685	3,640	3,715
Kapas Mar	Sell	908	895	917

Market Commentary

- Malaysian palm oil futures rose to their highest in over a week, helped by investor optimism that zero-duty tax structure will spur exports from the Malaysia and help boost global demand for the tropical oil. The positive sentiment was also buoyed by seasonally slowing production which could help curb stockpiles that hit a new record of 2.63mn tons in December. The Malaysian government has announced that it will retain its crude palm oil export tax at zero percent for February, the same as January, in an effort to give a competitive edge over top producer Indonesia.
- Soybean futures traded higher, aided by expectations of strong US exports. Export Sales data will be released today with soybean exports estimated by the trade at between 550,000-750,000 tons. Last week they were reported at 406,800 tons. The private sales over 100,000 that are required to be announced by exporters will be accounted for up until last Thursday. China was on a bargain shopping binge last week before the USDA report, with private exporters reporting several sales over 100,000 tons. Soybean meal exports are expected to range between 75,000-150,000 tons. Last week they were reported at 118,200 tons. Soybean oil exports are projected to be between 10,000-25,000 tons v/s 10,900 tons last week.
- In Indian markets, Castorseed futures witnessed some selling from higher levels due to dearth of castor oil millers and meal exporters demand at higher levels. Lack of physical demand was seen in local mandis with the anticipation of new castor seed from Gujarat in the near month. The fresh supplies of castor will commence from February month in the major mandis of Gujarat. While fresh supplies from Rajasthan will commence from mid-February.

Spices

Commodity	High	Low	Close	%Chg	OI
Chilli (Rs/qntl)					
NCDEX Mar	6,592	6,450	6,508	(0.4)	6,490
Jeera (Rs/qntl)					
NCDEX Mar	14,040	13,700	13,903	0.5	12,378
Pepper (Rs/qntl)					
NCDEX Feb	37,560	36,745	37,230	0.7	1,943
NCDEX Mar	35,745	35,165	35,270	(0.6)	979
Turmeric (Rs/qntl)					
NCDEX Apr	6,682	6,516	6,562	(0.1)	28,745

Oil Seeds

Commodity	High	Low	Close	%Chg	OI
Soyabean (Rs/qntl)					
NCDEX Jan	3,219	3,200	3,207	0.2	6,850
NCDEX Feb	3,249	3,210	3,223	0.3	154,820
Soyoil (Rs/10kg)					
NCDEX Jan	746	738	744	0.8	34,440
NCDEX Feb	723	708	716	0.8	96,630
CPO (Rs/10kg)					
		1			
MCX Jan	444	434	439	1.5	2,628
MCX Feb	454	443	449	1.7	8,932

Others

Commodity	High	Low	Close	%Chg	OI
Mentha Oil (Rs/kg)					
MCX Jan	1,354.5	1,318.1	1,343.4	0.8	3,953
MCX Feb	1,368.1	1,332.6	1,357.9	0.9	1,520

Spot prices

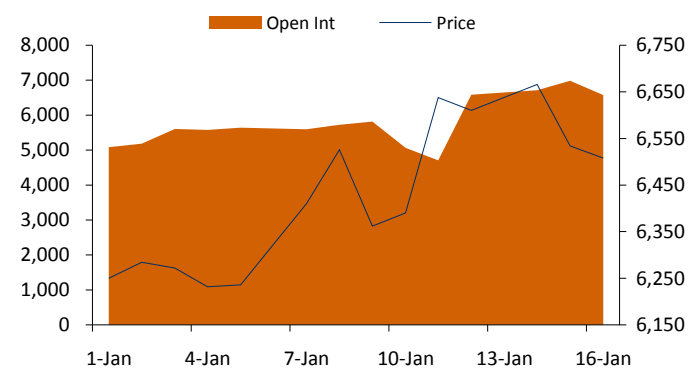
Commodity	Close	Pr. Close	% Chg
Pepper (Rs/qntl)	38,800	38,481	0.8
Jeera (Rs/qntl)	14,333	14,341	(0.0)
Turmeric (Rs/qntl)	5,622	5,693	(1.2)
Soyabean (Rs/qntl)	3,240	3,210	0.9
Soyaoil (Rs/kg)	747	739	1.0
Chana (Rs/qntl)	3,917	3,982	(1.6)
Mustard seed (Rs/qntl)	4,074	4,074	0.0

Pivot table

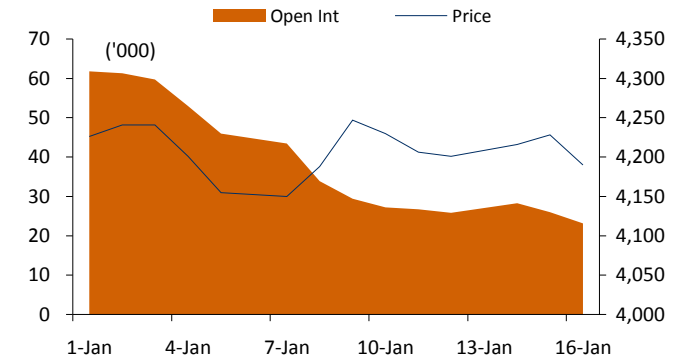
Commodity	R3	R2	R1	Pivot	S1	S2	S3
Chilli Dec	6,708	6,650	6,566	6,508	6,424	6,366	6,282
Jeera Dec	14,445	14,243	14,105	13,903	13,765	13,563	13,425
Pepper Dec	38,530	38,045	37,715	37,230	36,900	36,415	36,085
Turmeric Dec	6,774	6,728	6,608	6,562	6,442	6,396	6,276
Soya bean Dec	3,232	3,226	3,213	3,207	3,194	3,188	3,175
Soya oil Dec	757	752	749	744	741	736	733
CPO Nov	454	449	444	439	434	429	424
Mentha Oil Nov	1,405	1,380	1,369	1,343	1,332	1,307	1,296

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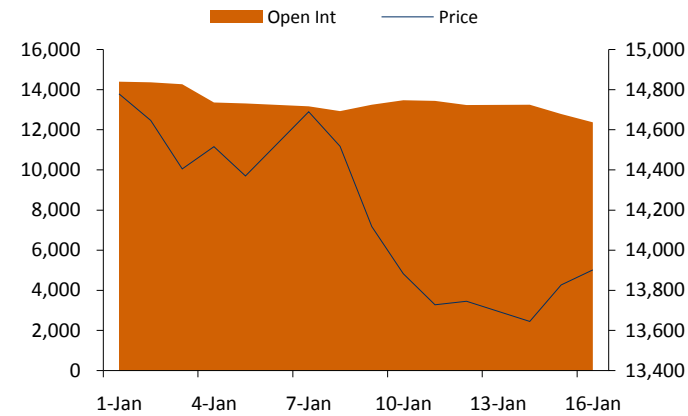
Chilli



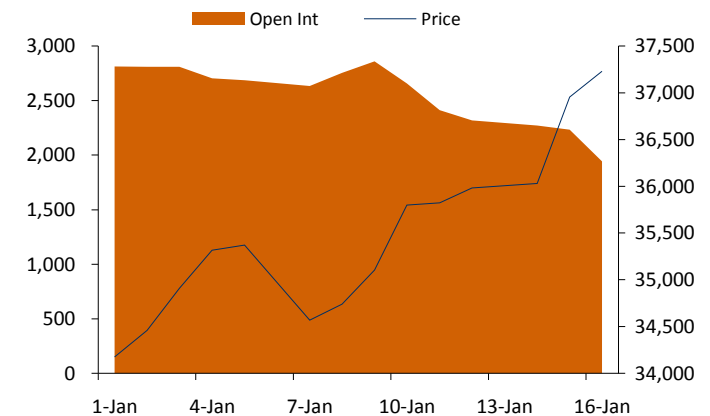
Mustard seed



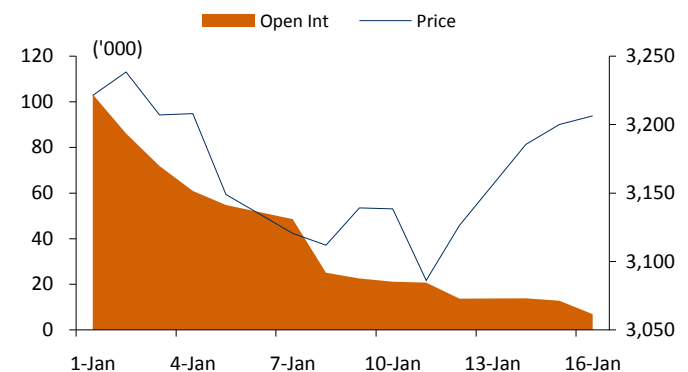
Jeera



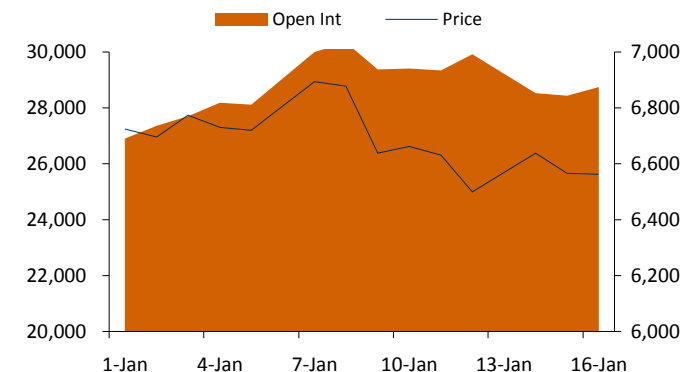
Pepper



Soya bean



Turmeric



After receiving two reputed awards for being the 'Best Broker' in 2011, IIFL has now bagged the Best Broking House with Global Presence in 2012.

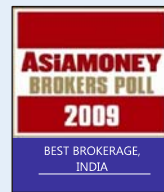
'Best Equity Broker of the Year' – Bloomberg UTV, 2011

IIFL was awarded the 'Best Equity Broker of the Year' at the recently held Bloomberg UTV Financial Leadership Award, 2011. The award presented by the Hon'ble Finance Minister of India, Shri Pranab Mukherjee. The Bloomberg UTV Financial Leadership Awards acknowledge the extraordinary contribution of India's financial leaders and visionaries from January 2010 to January 2011.

'Best Broker in India' – Finance Asia, 2011

IIFL has been awarded the 'Best Broker in India' by Finance Asia. The award is the result of Finance Asia's annual quest for the best financial services firms across Asia, which culminated in the Country Awards 2011.

Other awards



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