

Metals & Energy

Pick of the Day

Commodity	Strategy	Levels	Target	Stop-Loss
Gold Apr	Buy	29,680	29,900	29,500
Copper Feb	Sell	431	426	434.3

Market Commentary

- After being under immense pressure during the entire week, gold prices at last managed to rebound from the low of US\$1,554/ounce. Subdued economic data from US reinforced the safe haven appeal for the yellow metal and this can also be corroborated by the fact that CBOE VIX or the risk aversion index has rallied over the past few days. In this respect, CBOE Volatility Index is poised to register biggest weekly upside of this year.
- On macroeconomic front, European Flash Manufacturing PMI for February came in lower at 47.8, as compared with the expectations of 48.4. In US, unemployment claims during the last week surged to 362,000, much higher than the prior reading of 342,000. Meanwhile, Philadelphia Fed Manufacturing Index for February dropped sharply to -12.5, contradicting the market expectations of 1.1.
- Base metals extended the losses, as there have been renewed concerns regarding China imposing further restrictions on housing markets. In addition, persistent rise in LME warehouse stocks has also weighed on LME Copper, with prices trading well below the psychological level of US\$8,000/ton. LME stocks have surged above 400,000 tons and cancelled warrants have also fallen substantially, which convey signs of easing supply as well as moderating demand.
- Crude oil futures tumbled on concerns that US Federal Reserve might scale down its quantitative easing program in March. In addition, surge in US crude oil inventories also took a toll on the sentiment. EIA reported that US oil stockpiles increased by 4.1mn barrels last week, well above the average forecast of a 1.7mn barrels increase.

Precious metals

	High	Low	Close	%Chg	OI
MCX					
Gold(Apr) (Rs/10 gm)	29,779	29,263	29,742	0.6	14,537
Silver(Mar) (Rs/kg)	54,284	53,077	54,112	0.7	20,033
NCDEX					
Gold (Rs/10 gm)	29,759	29,759	29,759	0.0	2
Silver (Rs/kg)	63,350	62,527	62,527	0.0	60
COMEX (US\$/oz)					
Gold(Apr)	1,584	1,554	1,579	0.0	262,295
Silver(Mar)	28.9	28.4	28.8	0.3	48,882

Base metals

	High	Low	Close	%Chg	OI
MCX (Rs/kg)					
Alum.(Feb)	112.2	111.0	111.6	(0.4)	4,826.0
Copper(Feb)	431.9	426.7	429.1	(0.7)	25,289.0
Lead(Feb)	127.0	124.9	126.4	(0.4)	11,463.0
Nickel(Feb)	922.3	903.0	912.9	(1.1)	18,279.0
Zinc(Feb)	114.8	113.4	114.7	(0.1)	8,384.0
LME(3mths) (US\$/ton)					
Aluminum	2,186	2,069	2,076	(1.3)	4,475
Copper	7,968	7,814	7,861	(1.2)	6,355
Lead	2,347	2,300	2,326	(1.0)	1,937
Nickel	17,037	16,600	16,635	(3.1)	2,829
Tin	23,699	22,980	23,100	(2.6)	364
Zinc	2,138	2,095	2,112	(1.0)	3,989

Energy

	High	Low	Close	%Chg	OI
MCX					
Cr. oil(Mar) (Rs/bbl)	5,167	5,085	5,102	(1.2)	24,195
Nat.gas(Feb) (Rs/mmBtu)	183	175	179	0.0	14,333
NCDEX (Rs/bbl)					
Sweet Cr.oil	5,165	5,088	5,137	(0.5)	77
NYMEX					
Cr. oil(Apr) (US\$/bbl)	94.9	92.6	92.8	(1.7)	806
Nat.gas(Mar) (US\$/mmBtu)	3.3	3.2	3.2	(1.0)	55,501

Currency

	Close	Prev close	%Chg
INR/US\$	54.48	54.07	0.8
US\$/EUR	1.32	1.33	(0.7)
US\$/GBP	1.53	0.00	0.1
JPY/US\$	93.11	93.57	(0.5)

LME Inventory levels

('000 tons)	Close	Prev close	Chg
Aluminum	5,158	5,152	6.1
Copper	420	413	7.3
Lead	289	289	(0.1)
Nickel	154	153	1.1
Tin	14	13	0.2
Zinc	1,190	1,193	(3.6)

Pivot table

Commodity	MCX Levels					International Levels				
	R2	R1	Pivot	S1	S2	R2	R1	Pivot	S1	S2
Gold	30,258	30,221	29,742	29,705	29,226	1,609	1,603	1,579	1,573	1,549
Silver	55,319	55,147	54,112	53,940	52,905	29.3	29.2	28.8	28.6	28.2
Aluminum	113	112	112	111	110	2,194	2,084	2,076	1,966	1,959
Copper	434	431	429	426	424	8,016	7,909	7,861	7,754	7,707
Lead	129	128	126	126	124	2,373	2,352	2,326	2,305	2,279
Nickel	932	923	913	904	894	17,072	16,670	16,635	16,233	16,198
Zinc	116	116	115	115	113	2,155	2,129	2,112	2,086	2,069
Crude oil	5,184	5,119	5,102	5,037	5,020	95.1	93.1	92.8	90.8	90.6
Nat. Gas	186	182	179	174	171	3.4	3.3	3.2	3.2	3.1

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.

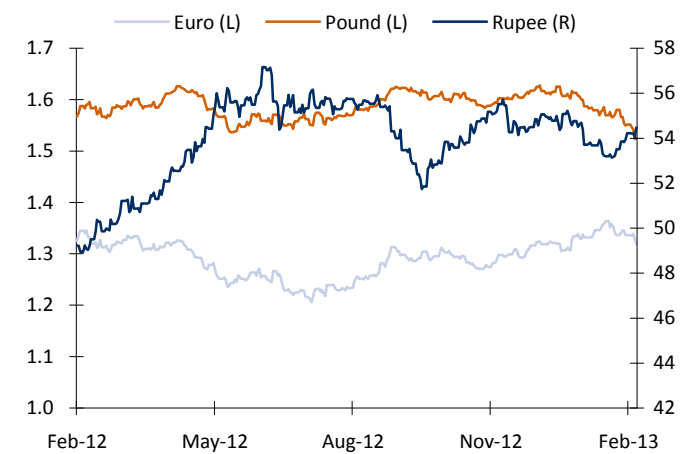
Important data to watch

Date	Country / Currency	Event	IST	Actual	Cons.	Previous
20-Feb	US	Housing Starts	19:00	0.89M	0.93M	0.97M
	EUR	Consumer Confidence	20:30	-24	-23	-24
21-Feb	EUR	Flash Manufacturing PMI	14:30	47.8	48.4	47.9
	US	Flash Manufacturing PMI	19:30	55.2	55.6	55.8
22-Feb	EUR	German Final GDP q/q	12:30		-0.6%	-0.6%
	EUR	German Ifo Business Climate	14:30		104.9	104.2

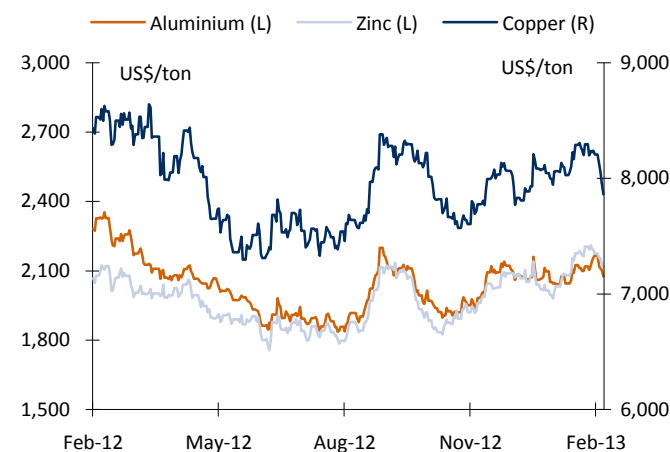
Precious metals



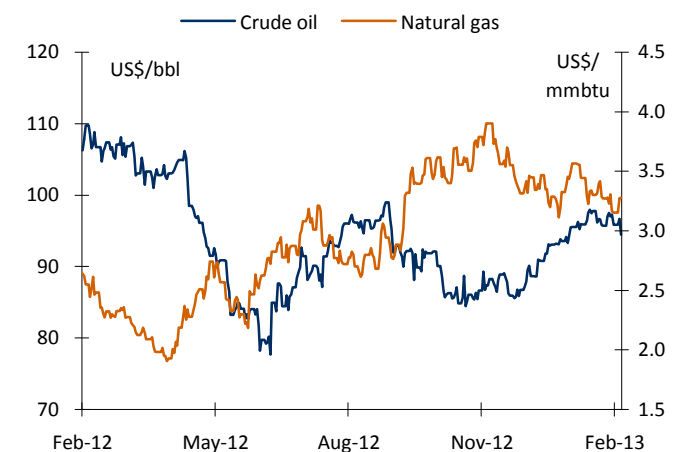
Currency



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
Mentha Oil Mar	Sell	1,290	1,250	1,315
Jeera Mar	Sell	13,300	12,950	13,550

Market Commentary

- Malaysian Palm oil futures ended marginally lower, deriving cues from weak U.S. and China vegetable oil markets. Profit booking after recent gains also accounted weighed on the prices. Meanwhile, U.S. soy prices drifted lower, impacted by broad based weakness in commodities. However, sharp decline in palm oil was averted by optimism that seasonally slowing output in Malaysia will help ease stocks despite sluggish export.
- Soybean futures traded and settled sharply mixed as old crop gained on new in effort to defer demand and new crop lost to old with USDA forecasting record large 13/14 US crop. Sharply weaker macro markets also pressured the Ag complex with selling seen across the commodity and equity markets as investor sentiment was rattled by weak economic data from EU and worries the US Fed will stop or slow its bond buying program. There was also talk that a hedge fund was liquidating large commodity positions. Fundamentally, the front end found support with USDA reporting sale of cargo of beans to China and talk that Brazilian port workers may go on strike later this week.
- In Indian markets, Turmeric prices extended the losses on short selling triggered by technical cues. The NCDEX turmeric for the April delivery ended the day down 2.46% from last close. According to market sources, turmeric price in the Nizamabad mandi stood steady at Rs5,400/quintal. Turmeric prices quoted in the Erode mandi stood steady at Rs6,500/quintal and arrivals remained unchanged at 4,000 bags. The Salem variety was traded at Rs7,000/quintal. In the Nanded mandi of Maharashtra, select quality was quoted in the range of Rs6,000-6,500/quintal.

Spices

Commodity	High	Low	Close	%Chg	OI
Chilli (Rs/qntl)					
NCDEX Mar	6,650	6,522	6,598	(0.5)	7,295
Jeera (Rs/qntl)					
NCDEX Mar	13,400	13,165	13,340	0.6	8,982
Pepper (Rs/qntl)					
NCDEX Feb	38,300	37,710	37,955	(0.2)	2,272
NCDEX Mar	36,605	35,825	36,285	(0.2)	614
Turmeric (Rs/qntl)					
NCDEX Apr	6,304	6,070	6,118	(2.6)	29,555

Oil Seeds

Commodity	High	Low	Close	%Chg	OI
Soyabean (Rs/qntl)					
NCDEX Mar	3,355	3,291	3,331	0.4	96,990
NCDEX Apr	3,286	3,227	3,273	0.7	91,590
Soyoil (Rs/10kg)					
NCDEX Feb	735	733	734	(0.0)	28,370
NCDEX Mar	707	700	701	(1.1)	89,650
CPO (Rs/10kg)					
MCX Feb	459	454	457	0.0	2,467
MCX Mar	469	464	467	0.0	5,323

Others

Commodity	High	Low	Close	%Chg	OI
Mentha Oil (Rs/kg)					
MCX Feb	1,442	1,418	1,432	(0.3)	4,609
MCX Mar	1,305	1,276	1,286	(1.7)	2,968

Spot prices

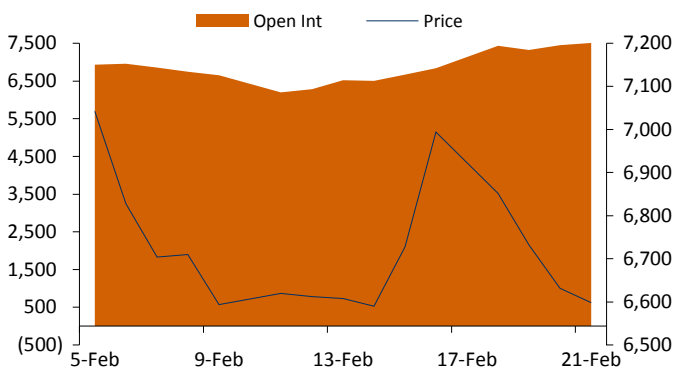
Commodity	Close	Pr. Close	% Chg
Pepper (Rs/qntl)	40,963	41,044	(0.2)
Jeera (Rs/qntl)	13,791	13,911	(0.9)
Turmeric (Rs/qntl)	5,457	5,473	(0.3)
Soyabean (Rs/qntl)	3,414	3,408	0.2
Soyaoil (Rs/kg)	728	734	(0.9)
Chana (Rs/qntl)	3,650	3,640	0.3
Mustard seed (Rs/qntl)	3,940	3,919	0.5

Pivot table

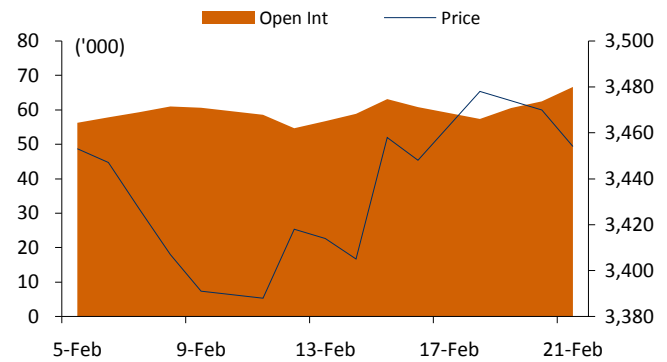
Commodity	R3	R2	R1	Pivot	S1	S2	S3
Chilli Dec	6,802	6,726	6,674	6,598	6,546	6,470	6,418
Jeera Dec	13,750	13,575	13,515	13,340	13,280	13,105	13,045
Pepper Dec	38,790	38,545	38,200	37,955	37,610	37,365	37,020
Turmeric Dec	6,400	6,352	6,166	6,118	5,932	5,884	5,698
Soya bean Dec	3,434	3,395	3,370	3,331	3,306	3,267	3,242
Soya oil Dec	737	736	735	734	732	732	730
CPO Nov	465	462	460	457	455	452	450
Mentha Oil Nov	1,470	1,456	1,446	1,432	1,421	1,407	1,397

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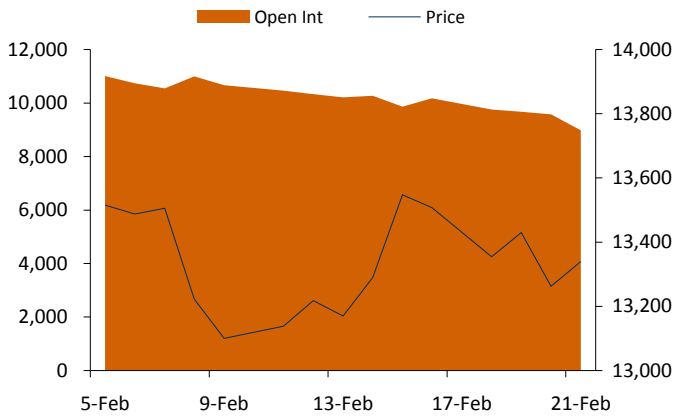
Chilli



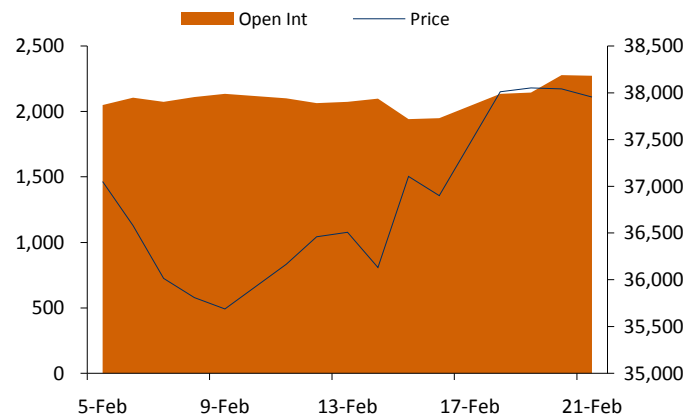
Mustard seed



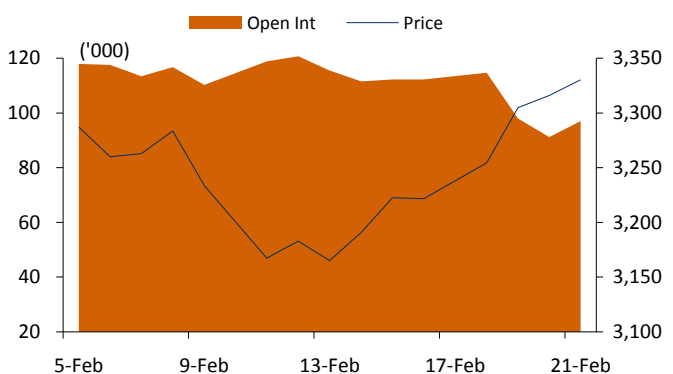
Jeera



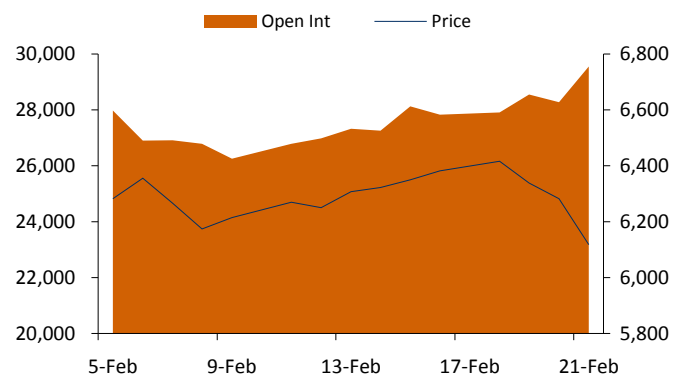
Pepper



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.

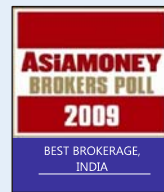
'Best Equity Broker of the Year' – Bloomberg UTV, 2011

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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