

Market Commentary

- ✧ Of late, precious metals have witnessed a roller coaster ride, with gold and silver prices moving higher initially during this week and then tailing off during the past two trading sessions. Yesterday, gold prices have pared the entire week's gains, down by more than US\$30 from the intraday high. Markets are again getting influenced by growing apprehensions ahead of US Federal Reserve policy decision. Some market participants are of the opinion that US central bank may start its tapering operation as early as this month considering the flow of positive macroeconomic numbers. In the latest, US November retail sales increased by .7%. Meanwhile, US House of Representatives have passed a bipartisan two-year budget deal and sent the measure to the Senate, which is expected to approve the bill next week. On investment side, SPDR Gold Trust ETF reported another outflow of 6 tons.
- ✧ LME base metals pared gains, weighed by rebound in US dollar and poor macroeconomic numbers from Europe. Euro-zone industrial production in October fell sharply, dropping by 1.1% from September levels. In China, the government will slash import tariffs by an average of 60% beginning next year in order to boost consumption and promote high-end manufacturing. Finance Ministry has reduced imports for more than 760 items, including mobile phones, tablet computers and aircraft engine components. Lower tariff rates that can adversely impact local producers and effectively slow down the short-term growth. In addition, appreciating Yuan and higher interest rates will be other headwinds which the government has to face during the implementation of the reform process.
- ✧ WTI oil prices treaded water. On geopolitical side, Iranian officials had meaningful negotiations in Vienna in respect with the implementation of the latest nuclear consensus. The next round of talks will be held in Tehran on Jan. 2^{1st}.

Precious metals

	High	Low	Close	%Chg	OI
MCX					
Gold(Feb) (Rs/10 gm)	29,501	29,150	29,223	(0.8)	10,007
Silver(Mar) (Rs/kg)	45,800	44,370	44,468	(2.8)	9,664
COMEX (US\$/oz)					
Gold(Feb)	1,257	1,223	1,225	(2.6)	2,31,771
Silver(Mar)	20.3	19.4	19.5	(4.4)	92,237

Base metals

	High	Low	Close	%Chg	OI
MCX (Rs/kg)					
Alum.(Dec)	110.7	109.7	109.9	(0.2)	1,930.0
Copper(Feb)	461.2	454.2	459.9	1.2	14,670.0
Lead(Dec)	132.8	131.5	132.0	0.2	2,686.0
Nickel(Dec)	877.0	868.4	872.7	0.7	5,868.0
Zinc(Dec)	122.1	120.8	121.9	0.7	3,590.0
LME(3mths) (US\$/ton)					
Aluminum	1,824	1,791	1,791	(1.4)	5,229
Copper	7,250	7,190	7,226	0.1	4,413
Lead	2,163	2,123	2,126	(0.8)	1,127
Nickel	14,227	13,967	14,010	(0.1)	1,584
Tin	22,700	22,440	22,500	(0.7)	330
Zinc	1,971	1,946	1,967	0.1	6,199

Energy

	High	Low	Close	%Chg	OI
MCX					
Cr. oil(Dec) (Rs/bbl)	6,108	5,993	6,079	1.1	10,177
Nat.gas(Dec) (Rs/mmBtu)	276	267	271	1.9	17,458
NCDEX (Rs/bbl)					
Sweet Cr.oil	6,027	6,003	6,020	(0.3)	41
NYMEX					
Cr. oil(Jan) (US\$/bbl)	98.2	97.3	97.5	0.1	1,53,787
Nat.gas(Jan) (US\$/mmBtu)	4.4	4.3	4.4	1.7	1,76,979

Currency

	Close	Prev close	%Chg
INR/US\$	61.25	61.83	0.9
US\$/EUR	1.38	1.38	(0.2)
US\$/GBP	0.00	1.64	(0.1)
JPY/US\$	0.00	103.38	0.9
US\$ Index	79.89	80.21	0.4

LME Inventory levels

('000 tons)	Close	Prev close	Chg
Aluminum	5,423	5,412	(10.6)
Copper	400	396	(3.8)
Lead	224	223	(1.1)
Nickel	254	255	1.1
Tin	10	10	(0.0)
Zinc	928	923	(4.6)

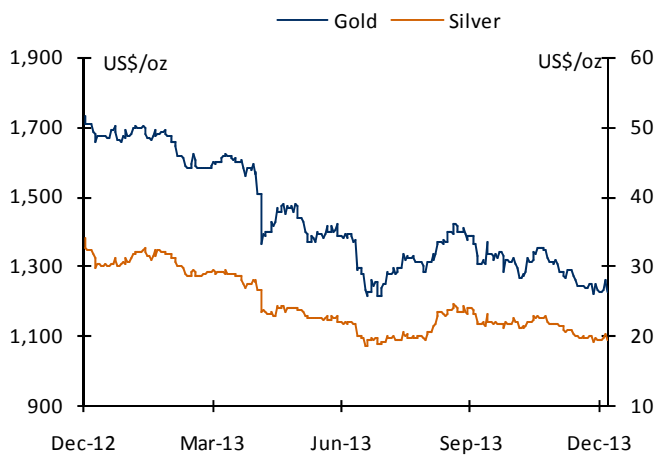
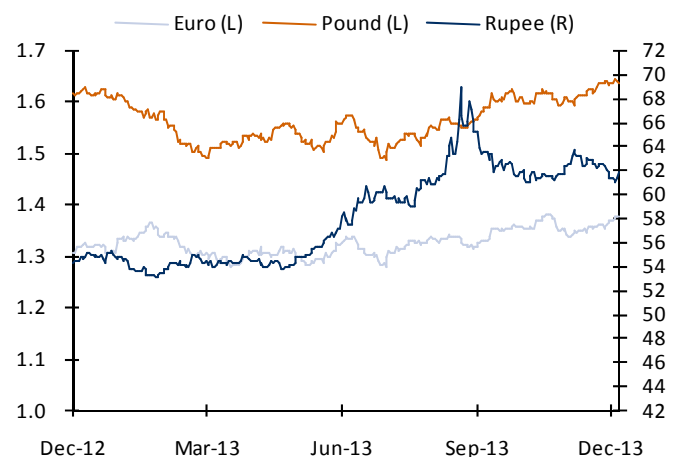
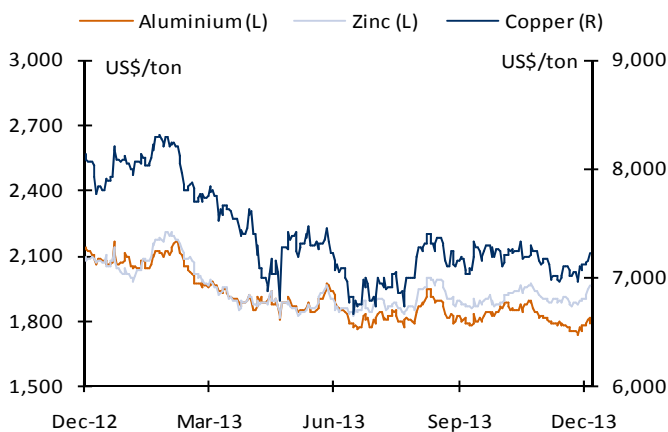
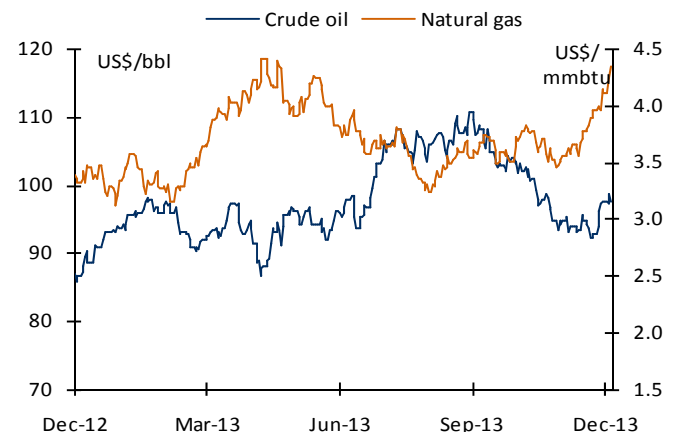
Pivot table

Commodity	MCX Levels					International Levels				
	R2	R1	Pivot	S1	S2	R2	R1	Pivot	S1	S2
Gold	29,574	29,296	29,223	28,945	28,872	1,259	1,227	1,225	1,193	1,191
Silver	45,898	44,566	44,468	43,136	43,038	20.4	19.5	19.5	18.6	18.5
Aluminum	111	110	110	109	109	1,824	1,791	1,791	1,758	1,758
Copper	467	466	460	459	453	7,286	7,262	7,226	7,202	7,166
Lead	133	133	132	131	131	2,166	2,129	2,126	2,089	2,086
Nickel	881	877	873	868	864	14,270	14,053	14,010	13,793	13,750
Zinc	123	123	122	122	121	1,992	1,988	1,967	1,963	1,942
Crude oil	6,194	6,165	6,079	6,050	5,964	98.4	97.7	97.5	96.8	96.6
Nat. Gas	279	274	271	265	262	4.5	4.5	4.4	4.4	4.3

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
10-Dec	CNY	Industrial Production y/y	11:00	10.0%	10.2%	10.3%
	CNY	Fixed Asset Investment ytd/y	11:00	19.9%	20.1%	20.1%
12-Dec	US	Core Retail Sales	19:00	0.4%	0.2%	0.5%
	US	Unemployment Claims	19:00	368K	321K	300K
13-Dec	EUR	Employment Change q/q	15:30		0.0%	-0.1%
	US	PPI m/m	19:00		0.0%	-0.2%

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

Market Commentary

- ✧ CME Soybeans futures ended lower. Soybean export sales were above the high end of the range of estimates at 1,108,600 tons. Total commitments for the year are now at 96% of the USDA forecast for the year. Export sales reported for soybean meal were below trade expectations, and soybean oil exports were only 2,300 tons.
- ✧ Malaysian palm oil futures retraced lower, weighed by concerns of sluggish demand. India imported 774,207 tonnes during November, down 1% from the 782,467 tonnes shipped in October. In addition, data from cargo surveyors showed that Malaysian palm oil exports fell nearly 30% during the first ten days of December, as compared with the same period last year. However, prospects of tight supply from flood-affected areas in Malaysia limited the losses in palm oil prices. Floods in several palm-growing parts of Malaysia have disrupted harvesting and transport of fresh fruit this month. A group of millers reported that output in southern Malaysia during December 1-10 period fell nearly 30% on mom basis.
- ✧ In Indian markets, Pepper futures extended gains on strong demand amid tight supply situation. Vietnam Pepper Association reported that the country's pepper exports are likely to be 130,000-135,000 tonnes this year, up 12% from last year. Export volumes have grown this year and global pepper supply is much lower than demand. India's pepper production next year is estimated lower at 45,000 tonnes, indicating a massive drop of 22%. Domestic consumption is projected at 48,300 tonnes next year. Globally also the output next year is estimated to be at 333,500 tonnes, a decline of 2%.

Spices

Commodity	High	Low	Close	%Chg	OI
Chilli (Rs/qntl)					
NCDEX Dec	7,284	7,152	7,228	1.1	1,370
Jeera (Rs/qntl)					
NCDEX Mar	12,850	12,550	12,818	0.7	6,765
Dhaniya (Rs/qntl)					
NCDEX Jan	7,837	7,686	7,706	(1.7)	30,140
NCDEX Feb	8,150	7,990	8,009	(1.9)	8,470
Turmeric (Rs/qntl)					
NCDEX Apr	5,900	5,750	5,826	(0.5)	10,800

Oil Seeds

Commodity	High	Low	Close	%Chg	OI
Soyabean (Rs/qntl)					
NCDEX Jan	3,878	3,835	3,842	(0.4)	13,540
NCDEX Feb	3,840	3,767	3,781	(1.2)	1,25,390
Soyoil (Rs/10kg)					
NCDEX Jan	711	701	702	(1.0)	1,03,900
NCDEX Feb	705	696	697	(0.9)	83,920
CPO (Rs/10kg)					
MCX Dec	562	554	555	(0.7)	2,479
MCX Jan	568	560	561	(0.5)	3,186

Others

Commodity	High	Low	Close	%Chg	OI
Mentha Oil (Rs/kg)					
MCX Dec	841	828	829	(1.0)	6,241
MCX Jan	853	841	842	(1.0)	2,036

Spot prices

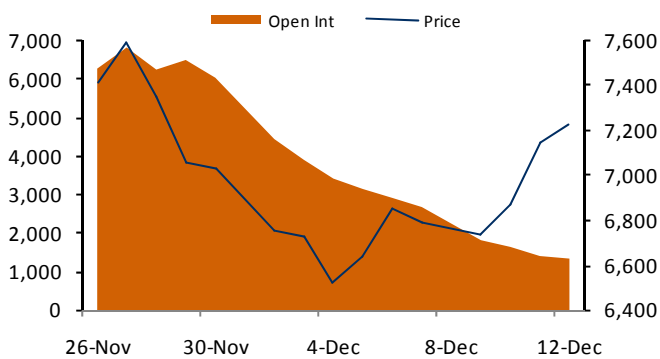
Commodity	Close	Pr. Close	% Chg
Pepper (Rs/qntl)	53,080	51,913	2.2
Jeera (Rs/qntl)	12,795	12,825	(0.2)
Turmeric (Rs/qntl)	5,183	5,188	(0.1)
Soyabean (Rs/qntl)	3,909	3,928	(0.5)
Soyaoil (Rs/kg)	706	711	(0.7)
Chana (Rs/qntl)	2,932	2,917	0.5
Mustard seed (Rs/qntl)	3,765	3,784	(0.5)

Pivot table

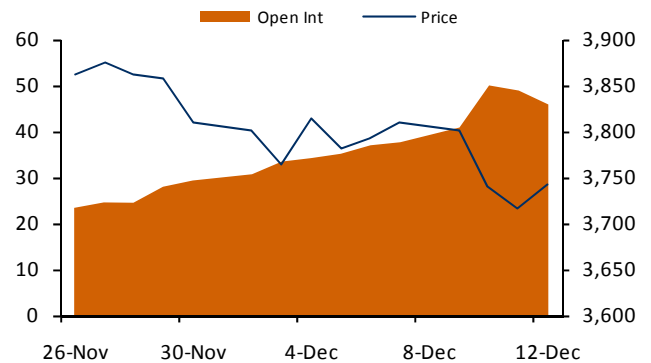
Commodity	R3	R2	R1	Pivot	S1	S2	S3
Chilli Dec	7,436	7,360	7,304	7,228	7,172	7,096	7,040
Jeera Mar	13,385	13,118	13,085	12,818	12,785	12,518	12,485
Coriander Jan	7,877	7,857	7,726	7,706	7,575	7,555	7,424
Turmeric Apr	6,052	5,976	5,902	5,826	5,752	5,676	5,602
Soya bean Jan	3,892	3,885	3,849	3,842	3,806	3,799	3,763
Soya oil Jan	714	713	703	702	692	691	681
CPO Dec	563	563	555	555	547	547	539
Mentha Oil Dec	843	842	830	829	817	816	804

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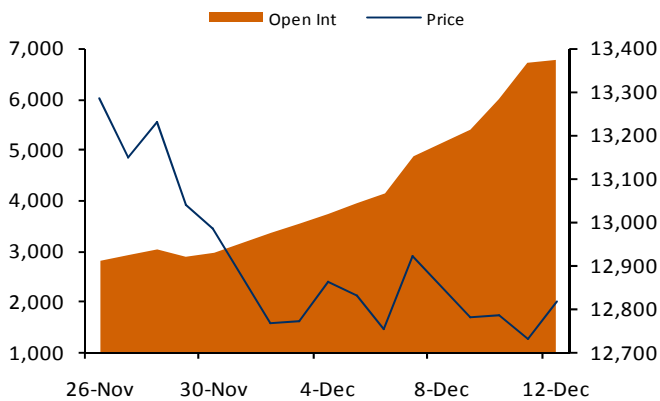
Chilli



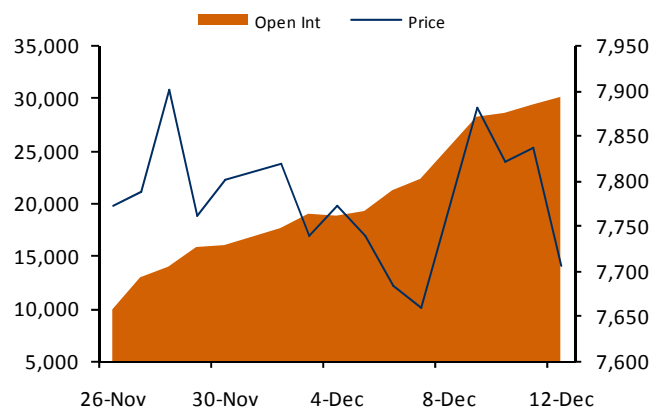
Mustard seed



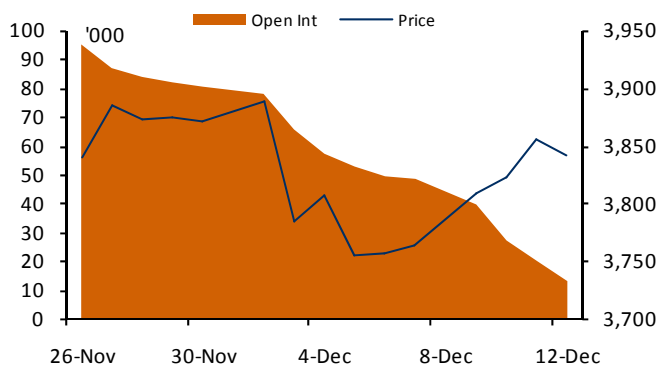
Jeera



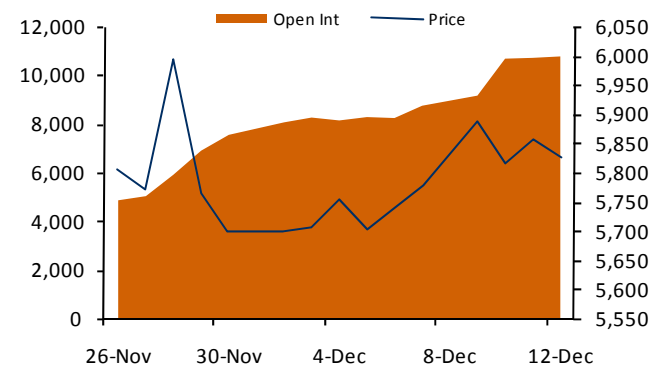
Coriander



Soya bean



Turmeric



IIFL Research won 3 awards at India's Best Market Analyst Awards 2013 by Zee Business for Banking, Oil & Gas and Pharma.

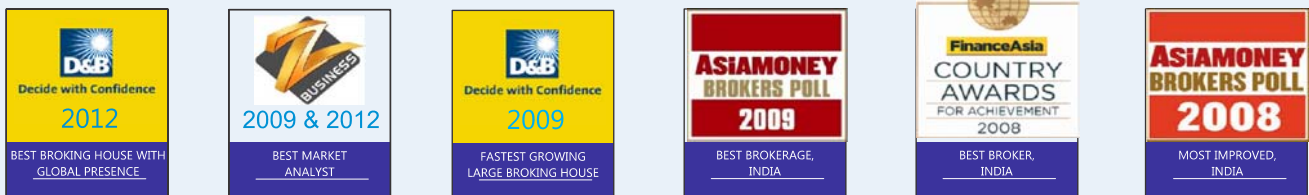
'Best Equity Broker of the Year' – Bloomberg UTV, 2011

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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