MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

GOLD

CMP Rs. 31750 /10Gms MCX Dec 2018

Market Outlook and Fundamental Analysis:

Gold to end its 6-month falling streak in Oct to end with 1.7% gain, a best month since Jan this year that would end a last 6-month decline driven by stock market volatility, the longest losing streak since the period from August 1996 to January 1997. However on last trading day it fall towards fresh 3-week low and fall below 100-day moving average as the dollar scaled a 16-month peak and a stock market rebound stirred renewed appetite for riskier investments. Despite all this gold seen to struggled to benefit as a safe haven asset as gain cap at every rally. While, a break below the key technical indicator (100-days SMA) could drive some investors away from gold. Gold has fallen about 11% since April, hit by rising U.S. interest rates and a global trade war that threatens economic growth, prompting investors to rush to the safety of the dollar, making bullion more expensive for holders of other currencies. Spot gold falling from a high of $1,366.07 in January to as low as $1,159.96 in August as the dollar strengthened and the U.S. Federal Reserve pushed ahead with interest rate rises. But it has since clawed back to around $1,225 an ounce in Oct as volatility on global stock markets revived interest in bullion as a safe place to store assets. Domestic market MCX gold up Rs.1000 per 10gm in Oct almost 3% gain in a month against silver down a bit Rs.500 per kg in a month register fall of 1.5%.

For gold direction from here, investors will be closely watching the U.S. congressional elections on Nov. 6, which will determine whether the Republican or Democratic party controls the U.S. Congress and it is to be assume that If there are signs that the Republicans are going to do well, this will probably lead to yet more dollar strength along with US sanction on Iran which may resulted in geopolitical tension.

Other side eye on dollar index also as the dollar has risen for seven consecutive months as the twin powerful forces of risk aversion in emerging markets and the growing divergence of the strength of the U.S. economy relative to its global peers, especially Europe, has forced investors to buy the dollar. During the month against a basket of its rivals, the dollar rose to 97.07, its highest since June 2017 and up 10% from its February lows. Any further rally in dollar will definitely hurt gold prices at higher level as there inverse relation between two.

MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

US Nonfarm data for Oct showed U.S. job growth rebounded sharply in October and wages recorded their largest annual gain in 9-1/2 years. This makes room for FED to continue its increasing interest rates.

At end of the month, Holdings in SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose to their highest since late August. SPDR Gold holdings had shed about 3.9 million ounces from a peak in April.
Fed policymakers are largely united on the need to raise borrowing costs further, minutes from their most recent policy meeting show, despite U.S. President Donald Trump's view that interest rate hikes have already gone too far. Gold is highly sensitive to rising interest rates, which lift the opportunity cost of holding non-yielding bullion. They also boost the dollar, in which the metal is priced.

Nonfarm payrolls, gauge for US rate decision increased by 134,000 jobs last month, the fewest in a year, as the retail and leisure and hospitality sectors shed employment. Data for July and August were revised to show 87,000 more jobs added than previously reported. The economy needs to create roughly 120,000 jobs per month to keep up with growth in the working-age population.

On data side, U.S. homebuilding dropped more than expected in September as construction activity in the South fell by the most in nearly three years, likely held down by Hurricane Florence. China's new bank loans rebounded in September after dipping in the two previous months, central bank data showed, but overall credit conditions stayed tight in an economy chilled by an ongoing tariff war with the United States. The Fed raised interest rates in Sep month for the third time this year and said it planned four more increases by the end of 2019 and another in 2020.

Meanwhile it is to be noted that, some central banks have taken their holdings of gold to record levels in recent months in an effort to maintain the value of their currencies against a rising U.S. dollar.

The International Monetary Fund said last week that risks to the global financial system, which have risen over the past six months, could increase sharply if pressures in emerging markets escalate or global trade relations worsen.

Domestic market demand side, Physical gold demand in India was lackluster last week of Oct, with dealers offering discounts for the metal ahead of a traditionally busy festival week for the first time in at least three years, as high prices kept consumers away. Prices in India, the second biggest gold consumer after China, held near 33,000 Indian rupees per 10 grams, the highest since September 2013, ahead of the Dhanteras and Diwali festivals, when buying gold is considered auspicious. The Indian currency has lost more than 12% of its value against the U.S. dollar so far in 2018, making purchases of commodities denominated in the greenback more expensive. Dealers in India were offering a discount of up to $7 an ounce over official domestic prices, the highest since mid-June.

Indian gold demand in 2018 is expected to fall from the previous year as a rally in local prices to five-year highs is likely to dent purchases during key festivals in the December quarter, latest the World Gold Council said. For the first nine months of 2018, Indian gold imports fell 15 percent from a year earlier to 552.8 tonnes, data compiled by GFMS showed.

Going ahead, Economic and political risks are looming larger, which should benefit gold. There is no shortage of geopolitical concerns ... Italy's indebtedness and lack of a viable budget, uncertainty around Brexit negotiations, uncertainty around U.S. policy following U.S. Midterm elections are some of the risks. However, bullishness must be offset by the strength of the U.S. economy and the dollar, which rose even as equities plummeted, and several more U.S. interest rate rises still to come. Higher interest rates hurt gold because they push up bond yields, denting the appeal of non-yielding bullion, and tend to boost the greenback. Overall Gold will likely trade within a tight range near term as conflicting signals support for bullion from geopolitical worries and pressure from strength in the U.S. economy. The prospect of a trade war between the U.S. and other economies to put a floor under gold prices in the short term but ultimately we think that Fed tightening will prove too strong a headwind.

Technical Outlook:

MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

On the Daily Chart:

During the month domestic Gold future rally towards multi month high of more than 2 ½ years and trading around same level but till now fail to break July 2016 high which may resulted in profit booking at higher level. All this thanks to weak Rupee against dollar & festival season buying from stockiest at lower level. Most of the indicators still in favor of bull as price trading above long term 2-SMA but at short term 20-days SMA with smart run up in RSI and MACD above signal line indicate more upside in coming weeks.

In COMEX GOLD is trading at $1232 immediate support at $1210 followed by 1180 while resistance at $1245 & 1265.

Expected support and Resistance level for the month

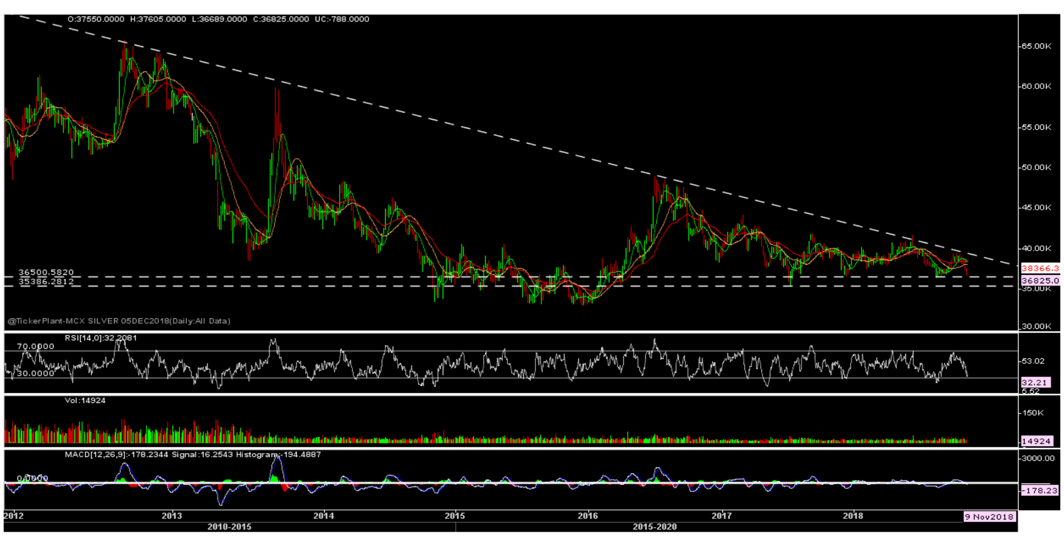
Gold	S1	S2	R1	R2
COMEX/DG CX ($)	1210	1180	1245	1265
MCX (Rs.)	31000	30500	32325	32500

RECOMMENDATION:

MCX Gold Feb: Buy Only above 32325 Stop Loss 32000 Targets 32500-32850.
Sell below 31200 Stop Loss 31550 Target 30700-30500.

SILVER

Technical Outlook:



MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

On the Daily Chart:

On broader daily chart silver Continue to trading between 36700-41700 range during year 2018 till date but recently almost triple top pattern seen in daily chart with price 3-time attempted to break above 39500 but fail to do so in last 1-month indicates some profit booking & down side expected until it successfully overtake 39500 level. Other side price also fall below all 3 SMA indicates more pressure on down side with falling RSI below 50 mark and falling MACD signal more room for bear in coming days. However unless it sustain below 36400 & 35400 which is long term trend line support level, price seen range bound at down side.

Expected support and Resistance level for the month

Silver	S1	S2	R1	R2
COMEX/DG CX ($)	14.20	13.90	15	15.70
MCX (Rs.)	38000	37400	39500	40200

RECOMMENDATION:

MCX Silver July: sell below 38000 S/L above 39000 Target 37400-36600.

CRUDE OIL

Market Outlook and Fundamental Analysis

Crude posted their biggest monthly percentage decline since July 2016 in October, with Brent down 8.8% for the month and U.S. crude losing nearly 11%. With this crude hit lows not seen since April, due to growing concerns that global demand is weakening at a time when output from the world's major oil producers is surging. Record production from the United States and post-Soviet Russia, along with a big move upward in output from the Organization of the Petroleum Exporting Countries, has culminated in a move to the exits by speculators. Oil has also been under pressure on growing concern over a possible slowdown in global growth as the U.S-China trade dispute remains unresolved, and is starting to hit emerging market economies in particular. With this, WTI crude prices are 17% below highs reached in early October. All this added by technical as WTI declines accelerated futures broke through $65, which had served as a buying level throughout the spring and summer. Also, Oil has been caught in the global financial market slump on Oct, with equities under pressure from the trade conflict between the world's two largest economies.

MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

During Oct both benchmark register its 4-year high on Oct 3, on worries about OPEC No.3 producer Iranian sanctions and tensions between the United States and Saudi Arabia after the death of Saudi journalist Jamal Khashoggi.

Supply Glut, On last day of Oct, the U.S. Energy Department said overall U.S. crude output hit a record 11.35 million barrels per day in August, and it is expected to keep growing. Russia is producing 11.41 million bpd, and a Reuters survey of OPEC production showed that group pumping out more oil daily since 2016. The top three producers - Russia, Saudi Arabia and the United States - pumped 33 million barrels per day (bpd) in September, Refinitiv data showed an increase of 10 million bpd since the start of the decade. Russian oil output has reached 11.41 million bpd, a level unseen since the collapse of the Soviet Union in 1991, an industry source told. The flood of oil is overwhelming any lingering worries that the market would be unable to offset further expected declines in exports out of Iran when renewed U.S. sanctions take effect from Nov 4. U.S. crude production is soaring, boosted by technological advances. Output this year is forecast to break the annual record in 1970.

U.S. energy firms added oil rigs for a third straight week, keeping the rig count at its highest in over three years, General Electric Co's Baker Hughes energy services firm latest release said. Declining productivity in some shale fields has forced companies to drill more to keep output growing.

Saudi Energy Minister Khalid al-Falih told Russia's TASS news agency that his country had no intention of unleashing a 1973-style oil embargo on Western consumers, but rather was focused on raising output to compensate for supply losses elsewhere, such as Iran.

Demand hurt, China's manufacturing sector in October expanded at its weakest pace in over two years, hurt by slowing domestic and external demand, in a sign of deepening cracks in the economy from the trade war with the United States. The International Energy Agency (IEA) said that high oil prices were hurting consumers and could dent fuel demand at a time of slowing global economic activity. There are two downward pressures on global oil demand growth. One is high oil prices, and in many countries they're directly related to consumer prices. The second one is global economic growth momentum slowing down IEA added.

On Oct. 9 the International Monetary Fund cut its global economic growth forecasts for 2018 and 2019, partly due to the toll trade policy tensions and the imposition of import tariffs were taking on commerce. It predicted 3.7% global growth in both 2018 and 2019, down from its July forecast of 3.9% growth for both years.

The Organization of the Petroleum Exporting Countries cut its forecast of global demand growth for oil next year for a third straight month, citing headwinds facing the broader economy from trade disputes and volatile emerging markets. OPEC estimates demand for its crude will fall to an average of 31.8 million bpd next year, from an average 32.8 million bpd this year.

Bonanza
make money. not mistakes.

MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

Refinery throughput in China, the world's largest oil importer, rose in September to a record 12.49 million barrels per day (bpd), government data showed. The data fed hopes about oil demand in China, even though economic growth slowed in the third quarter to its weakest since the global financial crisis.

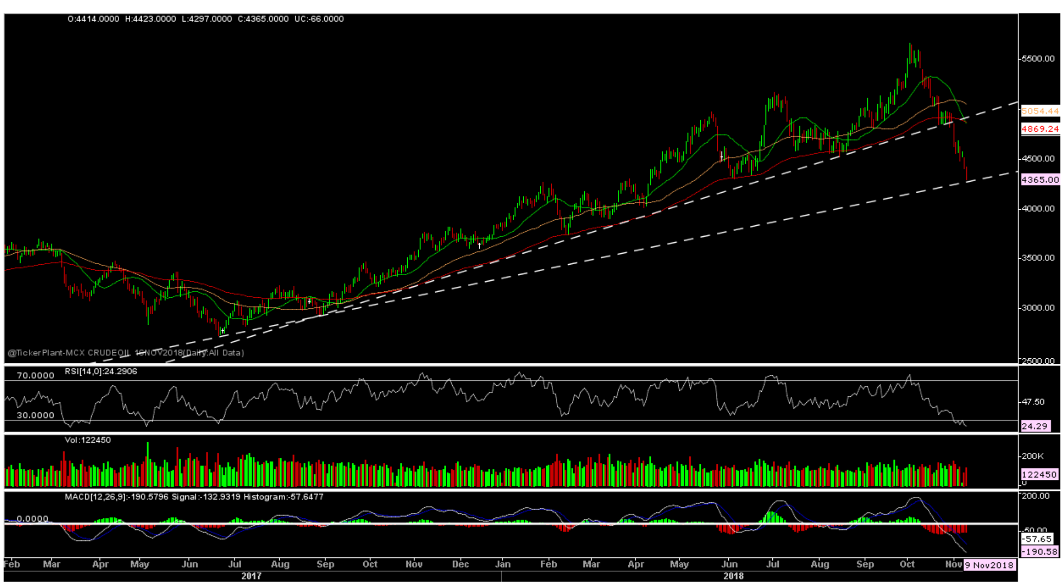
Iran sanction side, Imports of Iranian crude by major buyers in Asia hit a 32-month low in September as China, South Korea and Japan sharply cut their purchases ahead of the sanctions, government and ship-tracking data showed. U.S. sanctions on Iranian oil begin on Nov. 4 and Washington has said it wants to stop all of Tehran's fuel exports, but other oil producers are pumping more to fill any supply gaps.

The Organization of the Petroleum Exporting Countries (OPEC), led by Saudi Arabia and non-OPEC member Russia, agreed in June to lift oil supplies, but OPEC then signaled mid Oct that it may have to reimpose output cuts as global inventories rise.

During Oct WTI's discount to Brent widened to its most since June 8, hitting $11.00 a barrel, while in mid Oct, and front-month U.S. crude futures traded at the biggest discount to the second month in nearly a year.

Going ahead, US sanction on Iran on Nov 4, Geopolitical concerns, increasing trade friction between China and the U.S. is likely to rock global markets and tarnish bullish sentiment in crude oil markets. This might eventually pressure crude prices, even though oil and the dollar have moved in tandem for a few weeks.

<u>Technical Outlook</u>:-



MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

On the Daily Chart:

Crude oil attempt towards fresh 4-year high in Oct but fail to retain its gain and fall towards multi week low at end of the month. Still it continue to take Support from long term Rising channel trend line support. However other most of the indicators turn bearish at end of the month with Price trading below all 3 SMA, sharp fall in RSI and break below 30 mark first time since June 2017 with MACD well below signal line indicates more down side for this counter. Price also breaks its long term 200 days SMA which was holding as support since Sep 2017 indicates bear grip in this market.

Expected Support and Resistance level for the month

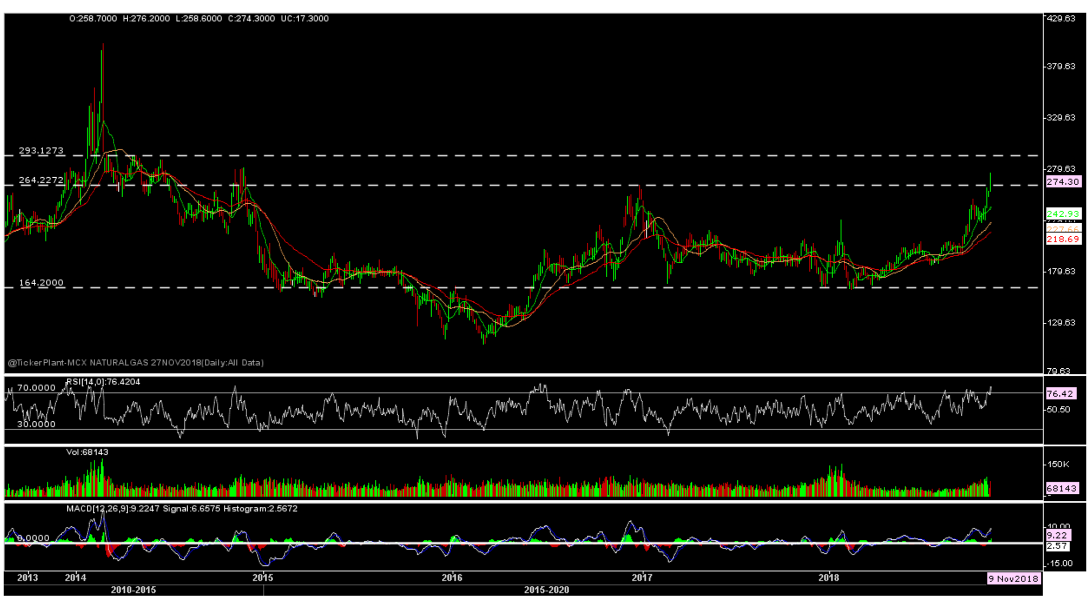
Crude	S1	S2	R1	R2
NYMEX/DG CX ($)	60	58	68	73
MCX (Rs.)	4525	4300	5000	5150

RECOMMENDATION:

MCX Crude: Buy Only above 5000 Stop Loss below 4850 Target 5150-5350.
Sell below 4525 Stop Loss above 4700 Target 4300-4200.

Natural Gas

Technical Outlook:



MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

On the Daily Chart: Natural Gas attempting to break its trading range seen since Jan 2017 till date with price rally towards multi week high and also recover from profit booking at end of the month. With price trading above all 3-SMA and MACD well above signal line added by firm upward in RSI indicates more upside for the counter. However for medium term Rally from here on it need to break with volume above Jan 2017 peak, if so we can expect sharp run up towards Feb 2016 high around 300 level.

RECOMMENDATION:

MCX NG : Buy above 252 Stop Loss below 240 for the Targets of 268-280.
Sell Only below 227 S/L above 235 Target 210-200 Range

Base Metals

Market Outlook and Fundamental Analysis

COPPER:

Across the board all base metals lost ground in 1st month of Q4-2018 and register fall between 5% in tin to more than 23% fall in Lead & Zinc in 2018 till date. At end of the Oct month Aluminum hit near 15-month low while nickel hit lowest since mid Dec 2017 and Zinc, Lead in multi week low after data showed China's manufacturing sector grew at its slowest pace since July 2016 and concerns lingered about excess Chinese supply added by strong dollar which rally towards fresh 16-month high. The slowdown in Chinese factory growth in October coincides with escalating Sino-U.S. trade tensions that have raised fears over growth in the world's second largest economy and top metals consumer. All this added by rally in dollar as the dollar scaled 16-month highs against a currency basket on the back of further strong U.S. economic data, heading for its biggest monthly winning streak in more than three years. A strong dollar makes dollar-priced metals more expensive for non-U.S. investors.

China's manufacturing sector barely grew last month after stalling in September, a private survey showed, a day after the country's official Purchasing Managers' Index showed the slowest growth in over 2-years. China's manufacturing sector in October expanded at its weakest pace in over two years, hurt by slowing domestic and external demand, in a sign of deepening cracks in the economy from an intensifying trade war with the United States. The official PMI - which gives global investors their first look at business conditions in China at the start of the last quarter of the year - fell to

50.2 in October, the lowest since July 2016 and down from 50.8 in September. China is the biggest consumer of industrial metals, accounting for almost 40-50% of global demand.

Chinese imports of scrap metal from the United States fell in September, according to customs data, spelling out the impact of tariffs imposed by Beijing, while India and Iceland benefited from a boom in Chinese alumina exports. Other side, China's unwrought copper imports surged to their highest in 2-1/2 years in September, while copper concentrate imports climbed to a record high as the crackdown on scrap leaves it needing other forms of the metal.

Other side falling copper stocks in LME warehouse land support its prices at lower level as LME copper stocks slid to their lowest since July 2008, having slumped 64% since peaking in late March. Inventories of copper in LME-approved warehouses, around 143,125 tonnes, are down more than 60% since the 2018 peak near 390,000 tonnes. Reason behind seen is compounded by cancelled warrants — metal earmarked for delivery — at nearly 54 percent of total stocks and a large holding of copper warrants between 50 and 79%. The premium of the LME copper cash contract over the 3-month contract was last at $26 a tonne, having hit a 3-year high of $47 on last week of Oct in a sign of immediate market tightness.

The copper market should see a deficit of 92,000 tonnes this year and a deficit of 65,000 tonnes in 2019, the International Copper Study Group said.

China's tax cuts next year could exceed the equivalent of 1 percent of gross domestic product, a central bank adviser said, in a sign that policymakers might consider another round of tax reductions. China is "multiplying its efforts to support the economy, and in particular, the infrastructure sector amid domestic and international headwinds," such as the trade war with the United States and high debt levels.

Historically, a 1% decline in global trade growth has reduced copper prices by about 4%, it means if global trade growth fell from April's 4.4% YoY to the 2015/16 average of 1.7%, copper prices could correct by 10.8% YoY to $5,400/t from current above 6000. China is the world's largest copper consumer, accounting for nearly half of global demand at around 24 million tones against U.S. accounts for about 8%. Ample supplies and worries about Chinese demand are why traders bet on lower prices.

On data side, The International Monetary Fund cut China's 2019 growth forecast to 6.2 percent from 6.4 percent, leaving the 2018 forecast unchanged at 6.6 percent. Lower growth implies weaker demand for metals. It also reduced its global economic growth forecasts for 2018 and 2019 to 3.7 percent from 3.9 percent for both years. China's economic growth in the third quarter slowed to its weakest pace since the global financial crisis, and missed expectations, as a years-long campaign to tackle debt risks and the trade war with the United States began to bite. Chinese banks extended 1.38 trillion yuan ($199.25 billion) in net new yuan loans in September, more than analysts had expected and up from the previous month.

MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

Going ahead, China stimulus and Tax cut plan may support base metals but trade war will keep prices under pressure for months to come and more focus on Equity market also as any turmoil will reflect in industrial metals also.

NICKEL

Nickel rebounded from a 10-month low touched on last trading day of Oct. Pressure in nickel price also due to a report about rising output of NPI, a lower-nickel-content substitute for refined nickel often used in stainless steel. China's NPI output has (reportedly) climbed to the highest daily rate in over 4 years in Sept at 43,400 tonnes of contained metal

The global nickel market deficit narrowed to 7,100 tonnes in August from the previous month's revised deficit of 16,500 tonnes, latest data showed.

Russia's Norilsk Nickel, one of the world's largest nickel producers, said its consolidated nickel production was at 53,739 tonnes in the third quarter of 2018, up 9% quarter-on-quarter.

The World Steel Association doubled its 2018 and 2019 forecasts for growth in global demand for the material used in sectors from cars to construction, but said trade tensions were clouding the market's outlook.

ZINC & LEAD

The premium for cash zinc over the three-month LME contract rose to $62, just one dollar away from last week's one-year high as on-warrant stocks hover near a February low.LME data showed on-warrant or available lead stocks at their highest since November 2017, signaling tight nearby supply.

Demand for refined zinc will exceed supply by 322,000 tonnes this year and 72,000 tonnes in 2019, the International Lead and Zinc Study Group (ILZSG) said.

Production cutbacks at China's zinc smelters in response to tighter environmental checks and weaker profits have tightened supply. China accounts for nearly half of global refined zinc production of about 13.5 million tonnes. It is also the largest consumer of the metal. A mixture of rising mine output, reduced pressure on polluting Chinese industry to close during the winter period and a weakening of Chinese economic growth is likely to ease the supply situation.

During the month Lead jumped to its highest in 6-weeks on, helped by a weaker dollar and falling inventories, but U.S-China trade tensions kept pressure on most metals and lead also lost ground to ended lower at end of the month.

The global refined lead market will, however, flip to a surplus of 50,000 tonnes next year after a deficit of 123,000 tonnes in 2018, the International Lead and Zinc Study Group (ILZSG) said this week.

MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

ALUMINIUM

Aluminum fall almost 5% in Oct month. Last day of the Oct month Aluminum fall below $ 2000 tone to fresh 15-month low at $ 1953. Aluminium hit a 3-1/2-month peak of $2,267 on Oct. 4 due to fears of alumina shortages, but when those worries subsided, prices gave up 11 percent. Earlier, aluminium had been boosted by worries over potential shortages after Norsk Hydro announced the temporary closure of the Alunorte alumina refinery in Brazil, the world's biggest producer of the raw material to make aluminium.
On-warrant stocks of aluminium in LME-registered warehouses available to the market fell by 1,825 tonnes to 723,900 tonnes.

China's primary aluminium production fell for a second straight month in September, sliding to its lowest level since May as weaker aluminium prices and higher input costs led smelters to cut back output.

China's alumina exports in September registered a more than fivefold increase from August to 165,839 tonnes, latest customs data showed. That represented the highest monthly volume this year. Producers of the main ingredient of aluminium have been shipping more cargoes overseas this year to cash in on favorable arbitrage between domestic and international prices amid tighter global supplies.

Base Metals

TECHNICAL OUTLOOK:

COPPER:

MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

On the Daily Chart: early of the month Copper make attempt higher side but fail to hold and erase most of its gain towards end of the month. Chart indicator suggest mix of the view with trading around all 3-SMA with below signal line MACD and falling RSI indicates coming days move important to decide medium term trend.

Expected Support & Resistance level for the month

Copper	S1	S2	R1	R2
MCX	432	410	461	470

RECOMMENDATION:

COPPER MCX:- Sell below 432 Stop Loss above 444 Target 423-410 Range.
Buy Only above 465 & more above 470 Stop loss below 455 Target 490-495.

LEAD:

Technical Outlook:

MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

Expected support and Resistance level for the month

Lead	S1	S2	R1	R2
MCX	**137**	**130**	**152**	**157**

RECOMMENDATION:

LEAD MCX: - Sell below 138 & 137 Stop Loss above 143 Target 132-130.
Buy Only above 152 Stop Loss below 147 Target 157-162

ZINC

TECHNICAL OUTLOOK:

Bonanza
make money. not mistakes.

MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

Expected Support & Resistance level

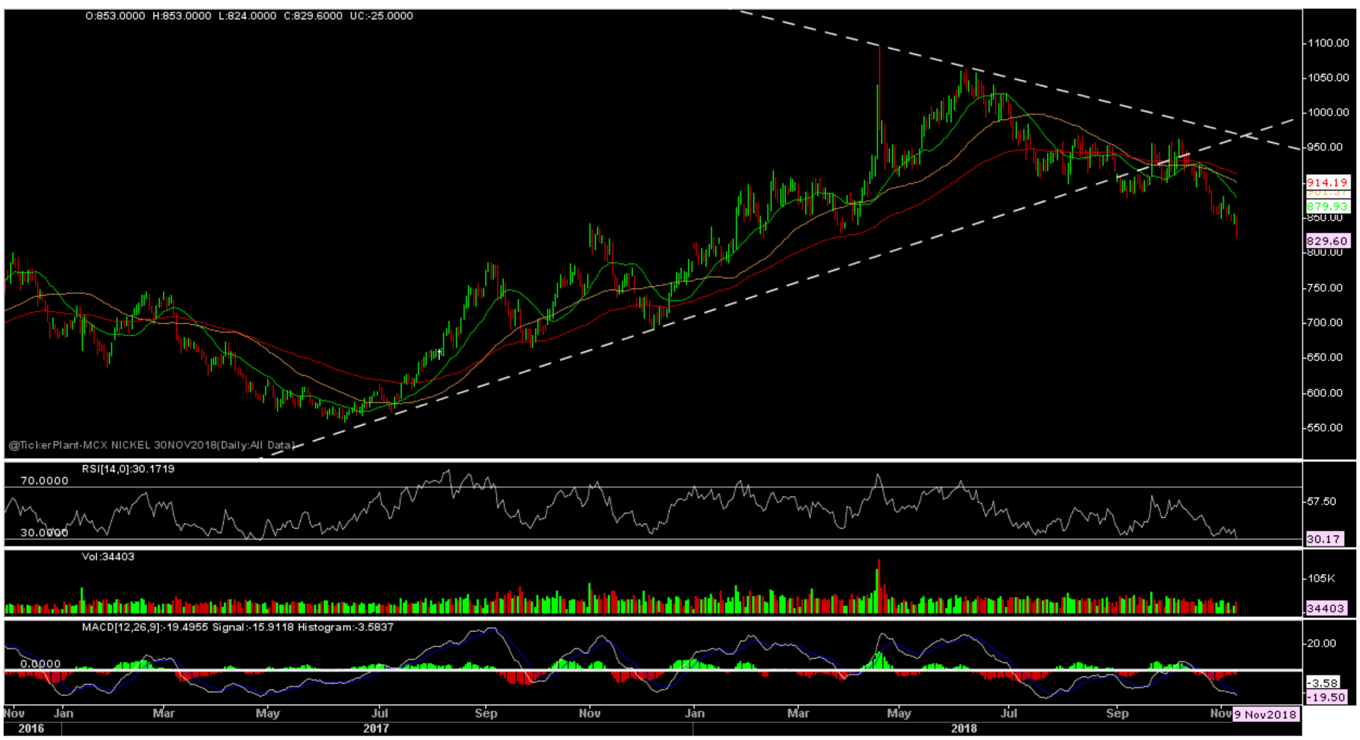
Zinc	S1	S1	R1	R2
MCX	181	176	199	204

RECOMMENDATION:

ZINC MCX :- sell below 180 Stop Loss above 186 Target 174-170
Buy above 200 Stop Loss below 195 Target 213-219

NICKEL

TECHNICAL OUTLOOK:



MONTHLY BULLETIN (RESEARCH) Date 3rd Nov 2018

Expected Support & Resistance level

Nickel	S1	S1	R1	R2
MCX	850	830	890	930

RECOMMENDATION:

Nickel MCX :- Buy Only above 930 Stop Loss below 910 Target 960-970
Sell below 850 Stop Loss above 875 Targets 830-800

BONANZA RESEARCH TEAM

Fundamental Outlook by: **Mr.Vibhu Ratandhara**

Technical Outlook by: **Mr. Vibhu Ratandhara**

BONANZA COMMODITY BROKERS PVT. LTD.

DATE- Nov 3rd, 2018

Disclaimer: The recommendations made herein do not constitute an offer to sell or a solicitation to buy any of the commodities mentioned. Readers using the information contained herein are solely responsible for their actions. The information and views contained herein are believed to be reliable but no responsibility or liability is accepted for errors of fact or opinion. Bonanza, its directors, employees and associates may or may not have trading or investment positions in the commodities mentioned herein.