



Select Commodities – Outlook

Holdings in Silver ETFs fall by 871,855 ounces

Physical silver holdings in the seven monitored silver-backed exchange-traded funds were seen dropping 871,855 ounces or 27.118 tonnes (-0.21 pct) in the week from February 18th up to and including February 25th, official data showed on Friday.

State sugar mills, traders lock horns over prices

A bitter tussle is on between Maharashtra’s sugar mills and traders. Traders are reluctant to lift sugar from the mills in the hope that prices would come down further, said a sugar industry official. The mill gate sugar price has fallen from a high of Rs 4,125 to Rs 3,050 per quintal (100 kgs) ever since the government-imposed release mechanism for sugar was brought down from 15 to 7 days last month. However, the retail price had not come down by the same measure because traders had inflated their margins and were not passing on the benefit to consumers, said a senior member of the state sugar co-operative body. Maharashtra is the country’s largest producer of sugar, accounting for 35%, followed by UP at 30%. But the head of the sugar traders’ association in the state denied this claim and said that traders had themselves suffered losses and were unable to offload stocks they had purchased at higher levels.

Crude Oil Gains for Second Day on Speculation Demand Will Rise

Crude oil rose for a second day on speculation improving world demand and OPEC supply restrictions will help slow growth in stockpiles. A report tomorrow in the U.S., the world’s largest oil consumer, will probably show consumer confidence is at its highest in a month, according to a Bloomberg News survey of economists. Kuwait, the fourth-largest Organization of Petroleum Exporting Countries producer, will maintain oil export limits through June, the Kuwait Times reported on **March 6**.

Palm Oil Heads for Biggest Weekly Gain in Four on Lower Output

Palm oil futures in Malaysia posted the biggest weekly gain in four on speculation that supplies may decline from Indonesia and Malaysia, the biggest producers. Shipments from Indonesia dropped 15 percent to 1.2 million metric tons in January, from 1.42 million tons a month earlier, as output and demand fell, the Indonesian Palm Oil Association said March 3. Malaysia’s Plantation Industries and Commodities Minister Bernard Dompok expects the nation’s palm oil production at 18 million tons this year

Metals & Energy

Commod	Suppor	Rest.	Remark
Copper	336	350	Positive
Crude	3700	3800	Positive
Gold	16600	17000	Positive
Lead	98	105	Positive
NG	200	240	Weak
Nickel	970	1055	Positive
Silver	26000	27240	Positive
Zinc	100	110	Positive

Agro

Commo	Suppo	Rest.	Remark
Chana	2145	2300	Volatile
Chilli	4580	5000	Volatile
G Seed	2210	2390	weak
Jeera	11300	12300	Volatile
Mustard Sd	470	485	Volatile
Soya bean	2180	2225	Positive
Ref Soy Oil	455	468	Positive
TMC	7400	8000	Volatile
Wheat	12255	1385	weak

Global Rates

Product	Contracts
Gold	\$1135/ounce
Silver	\$17.39/ounce
Crude	\$81.95b
Natural Gas	\$4.74/MMBTU
Copper	\$3.4318/lb
Nickel	\$10.1733/lb
Zinc	\$1.0586/lb
Lead	\$1.0063/lb
Platinum	\$1579/ounce
US Dollar index (NY)	80.05



Technical Analysis-

Aluminium

Aluminium prices are set to show increase in 2010 as compared to 2009. The latest report from Australian Bureau of Agriculture and Resource Economics (ABARE) suggests that Aluminium prices averaged \$1663 a tonne on the London Metal Exchange (LME) in 2009, which was 33 per cent lower than the average for 2008. For 2010 as a whole, aluminium prices are forecast to average around US\$2150 a tonne, which is a rise of 29 per cent from 2009. Assumed stronger world economic activity in the short term is forecast to lead to an increase in aluminium consumption and, hence, prices.

However, aluminium forecast to remain at close to 10 weeks of consumption, which is expected to limit any significant increase in prices. China's consumption of aluminium is forecast to increase by 6 per cent in 2010 to 15.3 million tonnes and by a further 13 per cent in 2011 to around 17.3 million tonnes. Indian consumption of Aluminium is also expected to increase by 6% in 2010. The higher levels of consumption would be the result of increase in economic activity and urbanization.

Technical

Aluminium is still responding well to the long term signals within the overall MACD signals. Watch the prices carefully above to 106 which will be crucial for breakout. Strong Support on around 95 and Resistance are around 105. Trend line is moving up with ascending channels. Also on above chart you can see the triangle target, is providing some overhead resistance to a move higher. Benchmark MCX contract of aluminium is expected to test consolidation in prices in short term. However, long term trend is positive for Aluminium.



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