

Evening Update

Spot gold edged up 0.3 percent to \$1,284.32 per ounce by 0957 GMT, having climbed to its highest since April 15 at \$1,291.39 on Wednesday. Gold prices gained on Thursday as a spike in trade tensions between the United States and China renewed fears of a global economic slowdown and forced investors to seek lower-risk assets.

Bullion, along with the Japanese yen and U.S. Treasuries, is seen as an alternative investment in times of political and financial uncertainty. The yen surged to a three-month high against the dollar.

Markets are awaiting two-day negotiations between China and the United States, with U.S. President Donald Trump having threatened to increase tariffs on \$200 billion worth of Chinese goods on Friday. Trump said China “broke the deal” in negotiations with Washington and vowed not to back down on imposing new tariffs unless Beijing “stops cheating our workers”. Trade fears triggered a global sell-off in equities and inflamed concerns of a slowdown in global growth. World shares tumbled for a fourth day running on Thursday.

While gold has drawn support due to risk-averse markets, prices have not been able to register a significant uptrend with the \$1,290 level further acting as a key technical barrier. “The precious metal has struggled to hold bullish gains as the technical overview remains negative,” Singapore-based Phillip Futures said in a note.

Oil prices steadied on Thursday as an escalating trade battle between the United States and China counteracted upward pressure from a surprise decline in U.S. crude inventories. Heightened tensions between the world’s two biggest economies have clouded the outlook for

global growth, which influences oil demand expectations. Global equity markets were hit.

“The oil market has come under renewed pressure this morning, with the hope of a China/U.S. trade agreement fading,” ING said in a note. “However, fundamentally the oil market remains constructive, with the global balance tightening, and the potential for a number of supply-side risks (remaining).” Oil prices have had some support from signs of tighter global supply on the back of production cuts by the Organization of the Petroleum Exporting Countries and allies including Russia.

Metal	08/05/2019	09/05/2019
Aluminum	+11800	-750
Copper	-2875	-9225
Lead	-50	-125
Nickel	-1680	-672
Zinc	+6550	+2725
Indices	Close	Change
Sensex	37558.91	-0.61
Nifty	11301.80	-0.51
Nasdaq	7943.32	-0.26
FTSE	7251.67	-0.27
CAC	5357.58	-1.11
DAX	12097.04	-0.68
Nikkei	21402.13	-0.93
Straits	3269.70	-0.43
Hang Seng	28311.07	-2.39
Shanghai	2850.95	-1.48
SGX Nifty	11348.00	+0.05

Today's Calls



NATURAL GAS

Buy Above	-	184.10,
Target	-	187.40,
Stop Loss	-	182.30.

NICKEL

Sell Around	-	834.00,
Target	-	816.00,
Stop Loss	-	846.00.

Global Data

6:00pm	CAD	Trade Balance
	USD	Fed Chair Powell Speaks
	USD	PPI m/m
	USD	Core PPI m/m
	USD	Trade Balance
	USD	Unemployment Claims
7:30pm	USD	Final Wholesale Inventories
8:00pm	USD	m/m
8:00pm	USD	Natural Gas Storage
10:31pm	USD	30-y Bond Auction

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