



# Weekly Digest

KCSPL Research

Crude Oil

**Highlights**

Market Analysis

Other Indicators

Outlook

Fundamental

Technical

Natural gas

Market Analysis

Fundamental View

Technical View

Calendar

**HIGHLIGHTS**

- *NYMEX crude ended with a 1% decline after choppy trade*
- *Crude fell on correction in US equity market, recovery in US dollar and rise in US crude stocks*
- *US DJIA index hit slumped 4.1% as sell-off in bond markets dented risk sentiment*
- *US dollar index hit a low of 88.555 but ended with a marginal 0.1% gain*
- *US non-farm payrolls report noted a 200,000 increase in US jobs; unemployment rate was steady at 4.1%*
- *US EIA noted a 6.776 million barrels increase in crude stocks*
- *US crude oil production rose 0.4% to record 9.919 million barrels per day*
- *The number of rigs drilling for crude oil in US rose by 6 to 765 rigs*
- *The NYMEX WTI crude traded at a discount of \$3.51/bbl to ICE Brent crude as against \$4.18/bbl a week ago*
- *WTI has outperformed due to lower US crude oil stocks*

**MARKET ANALYSIS**

- NYMEX crude trades near \$65 per barrel after 1% decline last week. In comparison, Brent crude slumped 2.2% last week. Spread between WTI and Brent crude narrowed further last week. WTI crude ended with modest decline while gasoline and heating oil futures ended with a decline of 3.4% and 3.9% respectively. This narrowed the crack margin to \$15.72 per barrel. As per COT report, speculators for ICE Brent futures reduced net long position by 0.6% to 582565 contracts. In comparison, speculators for NYMEX WTI crude raised net long position to a fresh record high level of 734558 contracts. The price movement and speculative activity clearly shows a favour for WTI crude. The major factor which has supported WTI price in last weeks has been decline in US crude oil stocks, weakness in US dollar and rally in US equity market. US crude stocks rose last week for the first time in eleven weeks. The US DJIA index slumped over 4% last week marking its first decline in five weeks. The US dollar index managed to end with a marginal gain but is still within sight of 3-year low set last month.

Crude Oil

Highlights

**Market Analysis**

Other Indicators

Outlook

Fundamental

Technical

Natural gas

Market Analysis

Fundamental View

Technical View

Calendar

- Crude's sharp rise last year was supported by OPEC's production cut deal which is expected to continue until end of 2018. Saudi and Russia have indicated that may continue to cooperate even after the deal expires. Data last week showed that OPEC production rose marginally last month however compliance with production cuts improved further to 138%. The rise in compliance is largely due to drop in Venezuelan output. As per Bloomberg estimate, Venezuela production fell to 1.67 million barrels per day, lowest since Jan.2003. OPEC remains adamant on continuing with production cut to rebalance global market and keep price propped up. However, the sharp rise in crude oil price and higher US crude production has fuelled speculation that the oil producing group could alter the deal sooner. Iran's oil minister was quoted stating that Iran can swiftly increase production of crude if OPEC decides to scrap limits on global output when the group meets next in June.
- US crude production is expected to hit record high level this year. US inventory report last week noted that weekly crude production hit a fresh record high level of 9.919 million barrels per day. Production is expected to hit 10 million barrels per day by February. Rise in rig count also shows higher production interest. The number of rigs drilling for crude rose by 6 to 765 rigs, the highest since Aug.2017. While production is rising, crude stocks rose last week for the first time in eleven weeks as refinery demand weakened and production edged up. Stock buildup may pickup pace in coming weeks as we move beyond the peak demand winter season.
- US DJIA index slumped over 4% last week as sell-off on bond markets dented risk sentiment while higher yields fuelled concerns about rising borrowing costs. The US dollar index managed to see a marginal gain as Fed's hawkish tone on inflation and upbeat US non-farm payrolls data fuelled expectations of a rate hike. Upbeat US economic data however boosts demand outlook for commodities at large.

**Price Movement (29 Jan – 02 Feb 2018)**

Commodity	Exchange	Close	Change	%	High	Low
WTI Crude Oil (\$/bbl)	NYMEX	65.45	-0.69	-1.0	66.46	63.67
Brent Crude Oil (\$/bbl)	ICE	68.58	-1.57	-2.2	70.27	67.81
WTI Crude Oil (Rs/bbl)	MCX	4186	-4	-0.1	4,271	4,063
Gasoline (\$cents/gal)	NYMEX	187.2	-6.57	-3.4	195.30	184.28
Heating Oil (\$cents/gal)	NYMEX	205.35	-8.25	-3.9	214.07	204.37

**Spread**

USD per barrel	02 Feb	26 Jan
Brent-WTI (APR)	3.51	4.18
3-2-1 Crack Spread	15.72	18.02

The 3-2-1 crack spread is the difference between crude oil and product futures i.e. gasoline and heating oil

**SPECULATIVE POSITIONS**

Crude oil held near 3-year high while speculators raised net long position to a new record high level. As per US CFTC report for the week ended Jan.30, non-commercial traders for crude oil futures raised long positions by 1.6% and cut short positions by 3.1%. Net long position rose by 2.5% to 734558 contracts. Crude speculators accumulated huge long positions in anticipation that OPEC's production cut and robust demand will tighten global market. The rally is however being challenged by higher US crude production. Crude price have turned rangebound near 3-year high and if we see correction in price speculators may choose to exit. Gasoline speculators on other hand cut net long position as price remained under pressure on stock buildup. Heating oil speculators also cut net long position winter related demand ebbed.

**U.S. CFTC Commitments of Traders (COT) Futures Only Report (30 Jan 2018)**

Non-commercial Position (contracts)	Long	Short	Net position	Change in Net position	Change (%)
Crude Oil	866,033	131,475	734558	17863	2.5
Gasoline	184,356	96,275	88,081	-3418	-3.7
Heating Oil	150,143	95,038	55105	-2795	-4.8

Continued.....

Crude Oil

Highlights

**Market Analysis**

Other Indicators

Outlook

Fundamental

Technical

Natural gas

Market Analysis

Fundamental View

Technical View

Calendar

**STOCKS AND DEMAND**

The US Energy Information Administration (EIA) EIA weekly report noted 6.776 million barrels increase in US crude oil stocks as against market expectations of 0.3 mn bbl rise. Crude stocks rose amid a 4.8% rise in weekly imports, higher production and lower refinery demand. US crude production hit fresh record high level of 9.919 million barrels per day. Refinery utilization rate fell for the fourth consecutive week to 88.1%. Exports rose 25% to 1.765 million bpd despite narrowing spread between Brent and WTI. EIA however noted an unexpected 1.98 million barrels decline in gasoline stocks and a bigger than expected 1.94 mn bbl decline in distillate stocks. Stocks fell due to higher demand and lower production. While crude production hit record high levels, crude oil rig count rose to the highest level since Aug.2017 showing higher production interest. The number of rigs drilling for crude oil rose by 6 to 765 rigs.

The spread between WTI and Brent crude March contract narrowed from \$4.18/bbl to \$3.51/bbl as WTI fell less than Brent. WTI has benefitted from lower US crude stocks and higher exports. Brent on other hand underperformed due to marginal rise in OPEC production. The spread may be in a range of \$3-4.5/bbl but we do not expect further widening as gains in WTI will be challenged by rising US crude production.

**U.S. EIA Weekly Petroleum Inventory Report (26 Jan 2018)**

(1000 barrels)	Stocks	change	%	Forecast	Demand	Chnge%	Import	Chnge%
Crude Oil	418359	<b>6776</b>	<b>1.65</b>	300	21003	<b>1.78</b>	8430	<b>4.84</b>
Gasoline	242060	<b>-1980</b>	<b>-0.81</b>	1900	9044	<b>3.99</b>	509	<b>-11.48</b>
Distillate Fuel Oil	137900	<b>-1940</b>	<b>-1.39</b>	200	4470	<b>16.19</b>	584	<b>132.67</b>



### CURRENCY AND EQUITY MARKET MOVEMENT

The US dollar index noted mixed trade but ended with a marginal 0.1% gain. The index hit a low of 88.555 last week in sight of 3-year low of 88.438 set a week ago. The index however recovered to end at 89.2 levels. The US dollar index recovered on better than expected US non-farm payrolls data and higher bond yields and Fed's hawkish tone. US non-farm payrolls data noted a bigger than expected rise in jobs and surge in wages. Wage growth boosted inflation outlook. Earlier in the week, Fed upgraded its inflation outlook and indicated that it will hit target levels this year. Fed's stance and surge in wage growth boosted rate hike expectations. The US 10-year yield hit fresh 3-year high of 2.84% and this helped US dollar recover. Yen weakened as Bank of Japan indicated that it will continue to buy bonds to keep yields from rising. The US dollar has been under selling pressure for last few weeks and some rebound could not be ruled out. However, few hiccups persist in form of worries about another US government shutdown and narrowing yield gap between US and European bond. We also believe that Fed may not alter its rate hike stance unless there is a significant change in economic or inflation outlook.

US DJIA index slumped 4.1% last week retreating from record high levels. The sell-off in bond markets had an impact on equities as well resulting a sell-off. We could see further bouts of profit taking unless fresh positive triggers emerge. Reuters/CRB index fell 1.1% last week led by modest decline in crude oil and other commodities. Outlook for US and Chinese economy and trend in US dollar will continue to affect commodities.

Crude Oil

Highlights

Market Analysis

Other Indicators

Outlook

Fundamental

Technical

Natural gas

Market Analysis

Fundamental View

Technical View

Calendar

#### Data for the week ended 26 January 2018

Indices/quotes	Close	change	%	High	Low
CRB INDEX	198.3	-2.17	-1.1	200.1	196.5
DJIA INDEX	25521.0	-1095.8	-4.1	26608.9	25490.7
DOLLAR INDEX	89.20	0.128	0.1	89.637	88.555
EURO-USD	1.25	0.00	0.3	1.25	1.23
USD-INR	64.07	0.52	0.8	64.19	63.48

### ECONOMIC DATA

The US economic data released in last few weeks has been mixed and this trend could continue. The recent tax reforms boosted economic outlook and this benefitted US equity market which moved to record high levels. On other hand, US dollar has been pressurized by concerns about higher debt levels and uncertainty about Fed's monetary policy. Focus will continue to be on economic data which will help form outlook for Fed's monetary policy.

US economic data released last week was largely better than expectations. Consumer confidence, ADP jobs report, Chicago PMI, jobless claims, construction spending, ISM manufacturing index, factory orders, consumer sentiment and non-farm payrolls data was better than expectations. On other hand, personal income and spending, Case-Shiller home price index, pending home sales was largely in line with expectations. Economic calendar is light this week and focus will be on negotiations to avert government shutdown.

Crude Oil

Highlights

Market Analysis

**Other Indicators**

Outlook

Fundamental

Technical

Natural gas

Market Analysis

Fundamental View

Technical View

Calendar

### U.S. Economic Calendar (29 Jan- 02 Feb 2018)

Date	IST	Release	For	Actual	Consensus	Prior
Jan-29	1900	Personal Income	Dec	0.4%	0.40%	0.30%
Jan-29	1900	Personal Spending	Dec	0.4%	0.50%	0.80%
Jan-30	1930	S&P Case-Shiller Home Price Index	Nov	6.4%	6.40%	6.30%
Jan-30	2030	Consumer Confidence	Jan	125.4	124	123.1
Jan-31	1845	ADP Employment Change	Jan	234K	190K	242K
Jan-31	2015	Chicago PMI	Jan	65.7	61	67.8
Jan-31	2030	Pending Home Sales	Dec	0.5%	0.60%	0.30%
Feb-01	0030	FOMC Rate Decision	Jan	1.25-1.5%	1.25-1.5%	NA
Feb-01	1900	Initial Claims	Jan-27	230K	238K	231K
Feb-01	2030	ISM Index	Jan	59.1	58.5	59.3
Feb-01	2030	Construction Spending	Dec	0.7%	0.30%	0.60%
Feb-02	1900	Nonfarm Payrolls	Jan	200K	180K	160K
Feb-02	1900	Unemployment Rate	Jan	4.1%	4.10%	4.10%
Feb-02	2030	Factory Orders	Dec	1.7%	1.30%	1.70%
Feb-02	2030	Michigan Consumer Sentiment	Jan	95.7	95	94.4

Crude Oil

Highlights

Market Analysis

Other Indicators

Outlook

**Fundamental**

Technical

Natural gas

Market Analysis

Fundamental View

Technical View

Calendar

**Outlook for Crude Oil**

Crude oil has witnessed volatile trade in last few days and with mixed factors in place we could see this trend continuing. Crude has failed to sustain above \$66 per barrel levels but has also managed to hold above \$63 per barrel. This could be the broad trading range in the near term. On the positive side, OPEC's support for production cuts, optimism about US and Chinese economy and choppiness in US dollar could support price. On other hand, higher US crude production, rise in US crude stocks and correction in equity markets could keep a check on upside. Focus this week will be on EIA monthly outlook, weekly inventory report, US and Chinese economic data, comments from Fed officials and development relating to US government shutdown. EIA in its monthly outlook may emphasize on higher US output this year. Weekly inventory report will show whether last week's surge in stocks continues or not. US and Chinese economic data is likely to be positive and will be a positive factor for crude oil. US policymakers have until Feb.8 to avert government shutdown. While we expect a dell will be reached, uncertainty will persist until a decision is taken. Concerns about government shutdown and sell-off in bond markets may keep pressure on equity markets. NYMEX Crude may trade in a range of \$64-66.5/bbl and sell on rise is suggested.

On domestic front, MCX Crude may trade in a range of Rs.4075-4275/bbl and sell on rise is suggested. Trend in rupee will affect domestic price.

PIVOT LEVELS	QUOTE	SUPPORT	SUPPORT	RESISTANCE	RESISTANCE
NYMEX Crude Oil	USD/BBL	62.4	63.9	66.7	68.0
MCX Crude Oil	RS/BBL	3965	4076	4284	4381

These levels are determined by mathematical calculation based on previous week's price movement



- Crude Oil
- Highlights
- Market Analysis
- Other Indicators
- Outlook
- Fundamental
- Technical**
- Natural gas
- Market Analysis
- Fundamental View
- Technical View
- Calendar

### Technical Outlook



Crude Oil

Highlights

Market Analysis

Other Indicators

Outlook

Fundamental

Technical

Natural gas

**Market Analysis**

Fundamental View

Technical View

Calendar

- NYMEX natural gas noted sharp volatility last week. Feb. contract which it a 1-year high of \$3.628/mmBtu expired at \$3.631/mmBtu. March, the new benchmark contract was trading at a discount of about 46 cents or 13% on day of expiry. For the week, first month continuous registered a sharp 18.8% decline. March contract slumped 10.4% to end the week near \$2.846/mmBtu. Reflect the losses in international market, MCX natural gas Feb. contract fell 7.6% last week. Domestic price were supported by weakness in US dollar.
- Natural gas has witnessed sharp volatility in last few days but it may subside over coming days as winter related demand subsides. In expectations of near normal weather in US, natural gas speculators amassed huge net short positions. US however witnessed extreme cold weather in last few weeks which pushed demand higher and led to sharp drop in stocks. Higher demand led to short covering pushing near month price higher. The huge difference between near and next month contract also forced short sellers to exit. With peak winter season behind us, we may see some consolidation in gas price.
- Natural gas started the week on a weaker note amid position squaring ahead of contract expiration. Price rose as weather forecasts pointed to cold weather in early Feb.. Price however weakened again as weather forecasts indicated that cold in some parts of US may not be as sever as earlier expected. Also weighing on price was inventory report which noted a smaller than expected and smaller than 5-year average decline for this time of the year. Higher gas price may also have reduced demand from power sector. Meanwhile, US gas production recovered with improving weather.
- Focus will continue to be on US weather which will affect demand as well as stock movement. We may however not see the volatility seen in last few weeks.

**Price Movement last week**

Commodity	Exchange	Close	change	%	High	Low
Natural Gas (\$/mmBtu)	NYMEX	2.846	-0.329	-10.4	3.259	2.837
Natural Gas (Rs/mmBtu)	MCX	184.9	-15.2	-7.6	208.0	182.4

Crude Oil

Highlights

Market Analysis

Other Indicators

Outlook

Fundamental

Technical

Natural gas

**Market Analysis**

Fundamental View

Technical View

Calendar

## STOCKS, RIG ACTIVITY AND PRODUCTION

The US Energy Information Administration (EIA) weekly report noted a 99 Bcf decline in natural gas stocks as against forecast of 102 Bcf decline. Net withdrawals from storage compared with the five-year (2013-17) average net withdrawal of 160 Bcf and last year's net withdrawals of 92 Bcf during the same week. Working gas stocks totaled 2,197 Bcf, which is 425 Bcf less than the five-year average and 526 Bcf less than last year at this time. Temperatures were higher than normal during the storage week throughout most of the Lower 48 states hence the stock decline was less than average. While stocks have fallen well below average levels, production has improved in last few days. Rig activity has been mixed. Rig count fell by 7 to 181 rigs after rising to the highest level since Sept.2017 two weeks ago. Rig activity may remain price sensitive but total supply remains high.

### U.S. Weekly Natural Gas Storage Report

Billion Cubic Feet (BCF)	Date	Stocks	Change	change over last year	change over 5-year average
Natural Gas	19 Jan	2296	<b>-288</b>	<b>-18.4%</b>	<b>-17.5%</b>
Natural Gas	26 Jan	2197	<b>-99</b>	<b>-19.3%</b>	<b>-16.2%</b>

### SPECULATIVE INTEREST

Natural gas speculators cut net short position for the fifth consecutive week as price held above \$3/mmBtu levels. As per US CFTC report for the week ended Jan.30, non-commercial traders for natural gas futures cut long and short positions by 3.9% and 7.1% respectively. Net short position fell by 45.7% to 18189 contracts, the lowest since June 2017. Natural gas hit 1-year high lately as severe cold weather in US resulted in record decline in gas stocks. We have however see a sharp correction since then as weather moderated. With slack demand outlook, the short covering may halt.

### U.S. CFTC Commitments of Traders (COT) Futures Only Report (30 January 2018)

Non-commercial Position (contracts)	Long	Short	Net position	Change	Change (%)
	382,685	400,874	-18,189	<b>15308</b>	<b>-45.7</b>

Crude Oil

Highlights

Market Analysis

Other Indicators

Outlook

Fundamental

Technical

Natural gas

Market Analysis

**Fundamental View**

Technical View

Calendar

### Outlook for Natural Gas

Natural gas has corrected sharply after testing 1-year high last month. We expect to see volatility continuing in the near term as market players respond to changes in US weather however we may not see as wild movement as seen in last few weeks. We maintain our sell on rise view in expectations that weather related demand may subside. As per current forecasts, cold weather may be witnessed in some parts of US which will keep demand high. However, weather related demand is not expected to be as severe as earlier anticipated. On supply front, production has recovered from the lows set in Jan and is near record high level. Weekly inventory report last week noted a smaller than average decline in gas stocks. Forecast of this week also indicate that stock decline may be less than average levels and may further reduce the deficit in the market. Early estimates for this week's inventory report shows a decline of about 114 Bcf as against 5-year average decline of 151 Bcf. Natural gas March contract may trade in a range of \$2.7-3.1/mmBtu and fresh selling should be only at corrective rebound. Further cues will come from US weather outlook, weekly inventory report, EIA's month outlook and trend in crude and other energy futures.

On domestic front, MCX natural gas February may trade in a range of Rs.176-201/mmBtu and sell on rise is suggested. Trend in rupee will also affect domestic gas price.

PIVOT LEVELS	QUOTE	SUPPORT	SUPPORT	RESISTANCE	RESISTANCE
NYMEX Natural gas	USD/MMBTU	2.56	2.70	3.12	3.40
MCX Natural gas	RS/BMMBTU	166.2	175.5	201.1	217.4

These levels are determined by mathematical calculation based on previous week's price movement

### Technical Outlook

- Crude Oil
- Highlights
- Market Analysis
- Other Indicators
- Outlook
- Fundamental
- Technical
- Natural gas
- Market Analysis
- Fundamental View
- Technical View**
- Calendar



## ENERGY CALENDAR

DATE	IST	DATA	FOR
06 Feb		US EIA Short-term Energy Outlook	Feb
07 Feb	0300	API Weekly US Inventory Report	02 Feb
07 Feb	2100	US DOE Weekly Petroleum Product Inventory Report	02 Feb
08 Feb	2100	US DOE Weekly Natural Gas Inventory Report	02 Feb

## ECONOMIC CALENDAR

Date	IST	Currency	Data	Forecast	Previous	Importance
05-Feb	10:30	INR	Nikkei Services PMI		50.90	Low
	14:25	EUR	German Final Services PMI	57.00	57.00	Low
	14:30	EUR	Final Services PMI	57.60	57.60	Low
	15:00	EUR	Sentix Investor Confidence	33.20	32.90	Low
		GBP	Services PMI	54.10	54.20	Low
	15:30	EUR	Retail Sales m/m	-1.00%	1.50%	Low
	20:15	USD	Final Services PMI	53.30	53.30	Low
	20:30	USD	ISM Non-Manufacturing PMI	56.70	55.90	Medium
	21:30	EUR	ECB President Draghi Speaks			Medium
06-Feb	12:30	EUR	German Factory Orders m/m	0.50%	-0.40%	Medium
	19:00	USD	Trade Balance	-52.0B	-50.5B	Medium
	19:20	USD	Fed Bullard Speaks			Medium
	20:30	USD	JOLTS Job Openings	5.95M	5.88M	Low
07-Feb	12:30	EUR	German Industrial Production m/m	-0.60%	3.40%	Medium
	14:30	INR	RBI Repurchase Rate	6.00%	6.00%	High
	16:30	USD	Fed Kaplan Speaks			Medium
	19:00	USD	Fed Dudley Speaks			Medium
	21:00	USD	Crude Oil Inventories		6.8M	Medium
08-Feb	Tentative	CNY	Trade Balance	322B	362B	High
	Tentative	CNY	USD-Denominated Trade Balance	54.7B	54.7B	High
	3:50	USD	Fed William Speaks			Medium
	12:30	EUR	German Trade Balance	21B	23.7B	Low
	17:30	GBP	Official Bank Rate	0.50%	0.50%	Medium
		GBP	Asset Purchase Facility	435B	435B	Medium
	18:30	USD	Fed Harker Speaks			Medium
	19:00	USD	Unemployment Claims	233K	230K	Medium
	19:30	USD	Fed Kashkari Speaks			Medium
	21:00	USD	Natural Gas Storage		-99B	Medium
09-Feb	7:00	CNY	CPI y/y	1.5%	1.80%	Medium
		CNY	PPI y/y	4.2%	4.90%	Medium
	7:30	USD	Fed George Speaks			Medium
	15:00	GBP	Manufacturing Production m/m	0.3%	0.40%	Medium
		GBP	Industrial Production m/m	-0.90%	0.40%	Medium
	18:30	GBP	NIESR GDP Estimate	0.50%	0.60%	Low

Crude Oil

Highlights

Market Analysis

Other Indicators

Outlook

Fundamental

Technical

Natural gas

Market Analysis

Fundamental View

Technical View

Calendar



**Fundamental Team**

Faiyaz Hudani- DVP	Oilseeds; Pulses	faiyaz.hudani@kotakcommodities.com
Madhavi Mehta- AVP	Bullion; Energy	madhavi.mehta@kotakcommodities.com
Priyanka Jhaveri- AVP	Base Metals	priyanka.jhaveri@kotakcommodities.com
Sunandh Subramaniam- Asst. Manager	Spices	sunandh.subramaniam@kotakcommodities.com

**Technical Team**

Ashok Kamrani- Senior Manager	Ashok.kamrani@kotakcommodities.com
Karan Shah- Manager	shah.karan@kotakcommodities.com

**Disclaimer**

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.

This material is for the personal information of the authorized recipient and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or solicitation of an offer to buy any commodity or commodity derivative to any person in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients of Kotak Commodity Services Private Limited. It doesn't constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.

We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed. Neither Kotak Commodity Services Private Limited, nor any person connected with it, accepts any liability arising from the use of this document. The recipients of this material should rely on their own investigations and take their own professional advice.

Price and value of the commodity referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions including those involving commodity derivatives involve substantial risk and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a commodity's price movement and trading volume as opposed to focusing on a commodity's fundamentals and as such may not match with a report on a commodity's fundamentals.

We do not have any information other than information available to general public. The report is based on information from sources like respective industry associations, FICCI, CII, companies, media and other public sources. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Our proprietary trading may make trading decisions that are inconsistent with the recommendations expressed herein.

We and our affiliates, officers, directors, and employees worldwide may: (a) from time to time, have long or short positions in, and buy or sell the commodities mentioned herein or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodity/ (ies) discussed herein or have other potential conflict of interest with respect to any recommendation and related information and opinions.

The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject commodity and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report. No part of this material may be duplicated in any form and/or redistributed without Kotak Commodity Services Private Limited's prior written consent.

Registered Office: Kotak Commodity Services Private Ltd., Nirlon house, 1st Floor, Dr. Annie Besant Road, Opp. Sasmira, Near Old Passport Office, Worli, Mumbai-400030.

CIN No. U65910MH1987PTC042230. Fax:+912224924696. Customer care no. 1800 102 6776. Website: www.kotakcommodities.com.

SEBI registration no.: INZ000044135. NCDEX/TCM/CORP/0479. MCX/TCM/CORP/0026. NCDEX - 00155. MCX - 10440.

Trading in commodities is subject to market risk and one should read the Risk Disclosure Document carefully prior to trading