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- The USD continued its spiral downwards today, following a drastic decline after the FOMC directive issued yesterday, indicated that the Federal Reserve would keep the interest rate at the current low level until the end of 2014. With no interest increases in the US global investors lost their attraction to the USD. As the dollar fell, commodities and equities reaped the benefit.

Technical outlook**Agri**

Soya oil is having strong support around 702 and soya seed is having support around 2520. We expect that both the commodities will continue to be trade in narrow range.

Energy

Crude oil is trading sideways from last 4-5 trading session and its taken support from \$98 level.

Bullion Recommendation

Trader can buy gold around INR27600 with strict SL of 27480 for upside target of INR 27760-28080-28272.

Metals Recommendation

Trader can buy copper in price range of 420 with strict SL of 418 for upside target of 424-428-432.

Agri commodity

Chana

Chana futures fell Thursday on profit booking by the traders on the back of higher arrivals from the fresh crop.

Sowing of Pulses in India has been covered over 145.12 lakh hectares 0.92% lower as compared to 146.47 lakh hectares in the same period previous year. Chana area till January 20, 2012 was lower by 4.29% and stood at 89.31 lakh hectares as compared to 93.92 lakh hectares in the same period previous year.

According to the Rajasthan farm department's first advance estimates for Rabi crops, Chana output is estimated 7.8% lower at 14.75 lakh tonnes in 2011-12 season against 16 lakh tonnes in 2010-11.

Cardamom

Cardamom futures gained Thursday as traders created fresh positions on the back of rising spot as well as overseas demand.

In MCX cardamom January contract is trading at Rs.648 per Kg, higher by 1.04 per cent against the previous close.

In the morning session the contract traded at a range of Rs.636.50-651.90 per Kg. Open interest of the contract is 4796 lots and volume traded is 3096 lots for the time being.

Supply concerns due to adverse weather conditions in major growing areas may attribute to the revival in demand.

Soyabean

In international market soybeans dipped U.S., but markets were on track for weekly gains on estimates of lower crop-yields in Brazil and Argentina as a result of a severe drought.

Brazil's second and third-biggest soy states lowered their crop estimates for the 2011/12 season on Thursday, providing more early signs of the impact of drought on the world's No. 2 soy-producing country.

■ Recommendation – soya complex

Chart – Soya Bean



Chart – Ref. soya oil



Source: Telequote

Soya seed and soya oil is trading in tight range from last one week. As INR is continue to getting strength against USD from last two week, and this will continue to keep prices in pressure of both the commodities. Soya oil is having strong support around 702 and soya seed is having support around 2520. We expect that both the commodities will continue to be trade in narrow range.

Trading strategy: Trading level Soya seed 2520-2560 and Soya oil 702-710.

■ News update

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- The FOMC stated that they saw the economy recovering and growth. The only worries they noted were jobs and housing.
- Today, several reports were issued. The unemployment claims jumped more then expected and housing reports were way below forecast. The bright spot was manufacturing, the durable goods report, showed that orders for machinery and airplanes was much better then expected.
- The Energy Department reported that total fuel consumption increased 7.5 percent to 19.2 million barrels a day in the week ended Jan. 20. Crude oil supplies rose 3.56 million barrels to 334.8 million, the highest level since the week ended Dec. 2, according to the department.
- Tensions in the middle east seemed to have subsided and there has been very little reaction to the EU's embargo. If the rhetoric remains down, crude should fall to its level of support over the next period.
- Copper rose more than 2 percent to a four-month high on Thursday as investors cheered news that the U.S. Federal Reserve was ready to offer additional stimulus, a move that could lift economic growth and demand for industrial metals. Federal Reserve Chairman Ben Bernanke said late on Wednesday the U.S. central bank was ready to offer the economy additional stimulus after it announced it would likely keep interest rates near zero until at least late 2014.

Recommendation - Gold



Source: Telequote

After FOMC statement and FED meet on 25th January, market reacted sharply and both the commodities gained sharply from lower levels. Main reason for sharp rally in both the commodities are interest rate forecast of FOMC which they will keep in the range between 0-0.25% till 2014. In FOMC statement it clearly shows that US economy will continue to be in pressure in coming time. Before coming FOMC statement gold tests its important support level of \$1652 INR 27200 and after release immediately test its resistance level of \$1684 INR 27580. Presently, gold is trading above \$1700 and we will see gap opening in today's trading session as our market were closed yesterday. If gold is able to sustain above \$1700 and able to close above this level then we may see further upside in Gold till \$1740-1765-1800 INR 27760-28080-28270.

Today's trading strategy, Trader can buy gold around INR27600 with strict SL of 27480 for upside target of INR 27760-28080-28272.

Recommendation – Silver



Source: Telequote

Silver is also gained almost 4% from lower level and presently trading around \$33.50. Silver is trading around its 200 days moving average which is \$33.56. If silver is able to close above \$33.60 then we will see sharp upside rally in silver till 35.40-36.20-37.80 INR 57200-58100-60000.

Today's trading strategy, trader can buy silver in price range of 56500-56700 with strict sl of 56200 for upside target of 57200-58100-60000.

Recommendation – Crude oil



Source: Telequote

Crude oil is trading sideways from last 4-5 trading session and its taken support from \$98 level. Presently crude oil is trading above \$100 if crude oil is able to sustain above this level then again we will see upside rally in crude oil till \$102-104. One major factor which will influence crude oil prices in coming time is Iran's Nuclear ambition. Iran's supplying around 12.7% of total world's oil supply and if tension will increase in Iran will keep crude oil prices in higher side.

Today's strategy, Trader can buy crude oil around 4960-4980 with strict sl of 4920 for upside target of 5050-5140.

Recommendation – Copper



Source: Telequote

Copper is trading in tight range of 418-424 from last three four trading session. Positive sentiment from European market and continue to decline in LME inventory level will support Copper prices in coming time. If copper is able to give weekly close above 424 then we will see upside rally in copper till 428-432-437. Fresh sell can be initiated in copper only if it able to close below 416 level.

Today's trading strategy, trader can buy copper in price range of 420 with strict SL of 418 for upside target of 424-428-432.



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