Commodity Market

WEEKLY REPORT

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BULLION METALS OUTLOOK -

GOLD - MCX Gold may witness choppy trade in line with international price but bias may remain weak. COMEX gold trades in a narrow range near $ 1320/oz ahead of US GDP data and Fed Chair Janet Yellen's comments. Market players are looking at US economic data and Fed's stance to gauge possibility of Fed's interest rate hike. Gold has already corrected in last few days in anticipation that Fed Chair Yellen may express optimism about US economy and prospect of rate hike. If Yellen maintains this stance we may not see much price reaction. However, if Yellen gives clear signs that imminent rate hikes are unlikely then gold price are set to see some recovery. Ahead of US data and Yellen's speech we expect gold price to be rangebound to negative. The Gold is Expected to trade in the Range of 27960-28925 in next week trading Sessions.

GOLD CHART -

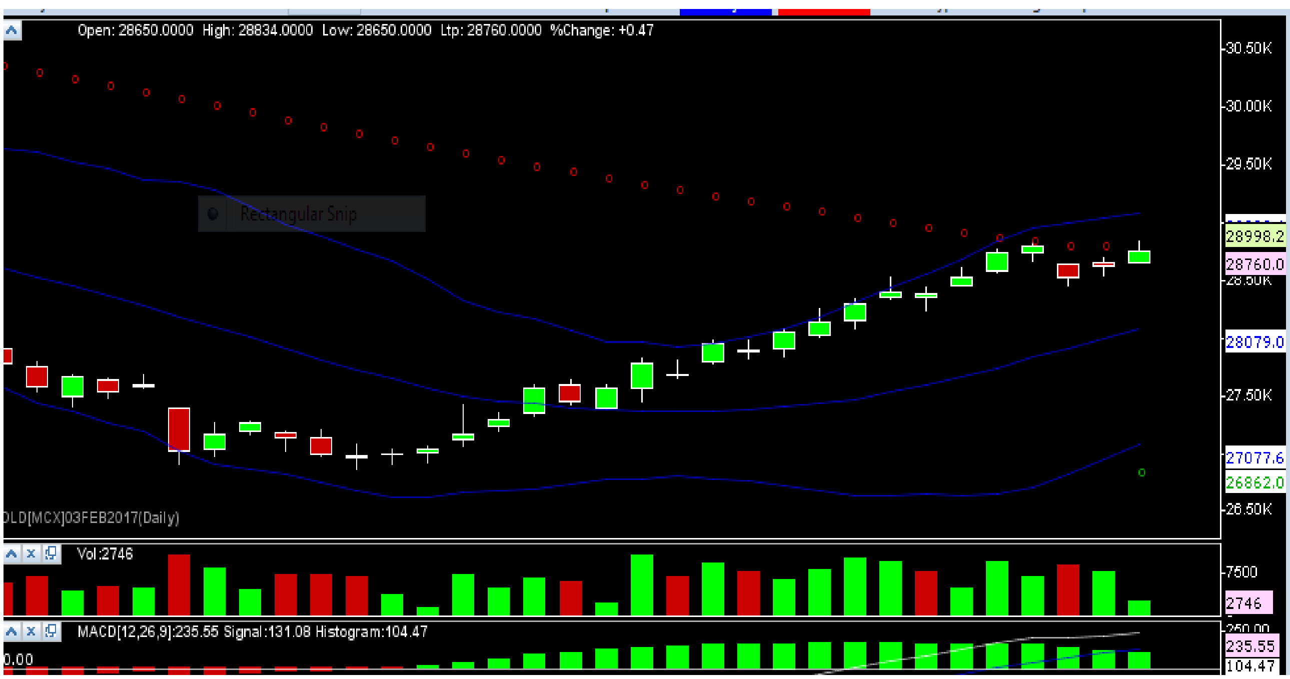

Chart Detail -

The statistical and technical indicators suggest that gold was going ahead and that it was due for a correction. one key indicator is the moving average of convergence/divergence, which is also known as MACD, and on a weekly basis the MACD and Parabolic SAR are indicating that the next move for gold will be up. The gold now look moving toward the 27800 level in near Future. The Important Levels for Gold as per Technical Indicators is 27965 is Down side and 28925 is Upside.

SILVER -

MCX Silver may note some gains tracking cues from international exchange but upside is limited. COMEX Silver trades higher amid rangebound movement in gold and mixed trade in industrial metals. Uncertainty about Fed's monetary policy has resulted in choppiness in commodities at large. Silver ETF outflows also show some profit taking by investors. We expect gold to remain under pressure ahead of Yellen's comments and this will weigh on silver as well. The Significance levels for Silver is 42209-42705 is up side and 41525-41059 is Down side.

Detail of Chart -On the Above Given Daily Chart of Silver is preserved the psychological support 39200. MCX silver makes down channel pattern on weekly chart last week which given the Strong Signal for entire surge of below near resistance Rs.40707 and Rs.41208 it goes up till 39200 Levels.the Above Levels are 40208 by crossing Rs.41707 Level could be touch on next Week trading Sessions. Now in this Week The Technical Indicators like - RSI And Moving Average convergence/divergence trading near oversold phase consonantly on Chart given that; One should not stand into the recession move around support Level of 38500. The Significance Levels for Silver is 38800-39200 is Down Side and 39980-40561 is Up side silver is Expected to trade in Bullish trend for next trading Week.

✍ MCX DAILY LEVELS

DAILY	EXPIRY DATE	R4	R3	R2	R1	PP	S1	S2	S3	S4
ALUMINIUM	**30-DEC-2016**	134	131	128	127	125	124	122	119	116
COPPER	**28-FEB-2016**	425	415	405	401	395	391	385	375	365
CRUDE OIL	**19-OCT-2016**	3922	3822	3722	3680	3622	3580	3522	3422	3322
GOLD	**03-FEB-2016**	29107	28944	28781	28703	28618	28540	28455	28292	28129
LEAD	**30-DEC-2016**	161	159	157	155	153	151	149	147	145
NATURAL GAS	**27-DEC-2015**	246	238	230	226	222	218	214	206	198
NICKEL	**30-DEC-2016**	733	710	687	672	664	649	641	618	595
SILVER	**03-MARCH-2016**	42890	42386	41882	41653	41378	41149	40874	40370	39866
ZINC	**30-DEC-2016**	198	194	190	189	186	185	182	178	174

✍ MCX WEEKLY LEVELS

WEEKLY	EXPIRY	R4	R3	R2	R1	PP	S1	S2	S3	S4
ALUMINIUM	**30-DEC-2016**	142	136	130	128	124	122	118	112	106
COPPER	**28-FEB-2016**	443	427	411	401	385	379	363	347	338
CRUDE OIL	**19-OCT-2016**	4101	3943	3785	3711	3627	3553	3469	3311	3153
GOLD	**03-FEB-2016**	29758	29383	29008	28817	28633	28442	28258	27883	27508
LEAD	**30-DEC-2016**	168	162	156	152	146	140	136	132	128
NATURAL GAS	**27-DEC-2015**	286	266	246	234	226	214	206	186	166
NICKEL	**30-DEC-2016**	833	780	727	692	674	639	621	568	515
SILVER	**03-MARCH-2016**	45162	43926	42690	42057	41454	40821	40218	38982	37746
ZINC	**30-DEC-2016**	210	202	194	190	186	182	178	170	162

✍ FOREX DAILY LEVELS

DAILY	EXPIRY	R4	R3	R2	R1	PP	S1	S2	S3	S4
USDINR	**26-OCT2016**	69.25	68.45	68.33	6784	67.17	66.67	66.42	66.01	65.98
EURINR	**26-OCT2016**	76.86	74.79	72.85	71.25	71.03	70.22	69.19	68.17	67.02
GBPINR	**26-OCT2016**	88.15	86.94	85.03	83.14	82.22	81.26	79.15	78.41	77.18
JPYINR	**26-OCT2016**	61.25	59.15	58.18	57.56	56.89	56.05	55.58	55.01	54.12

✍ FOREX WEEKLY LEVELS

DAILY	EXPIRY	R4	R3	R2	R1	PP	S1	S2	S3	S4
USDINR	**26-OCT2016**	72.62	70.88	69.14	68.60	67.12	66.30	66.00	65.80	65.08
EURINR	**26-OCT2016**	78.08	76.28	74.07	72.17	70.82	69.56	68.32	67.08	65.84
GBPINR	**26-OCT2016**	94.46	90.72	88.94	86.15	83.71	81.15	79.22	77.16	75.15
JPYINR	**26-OCT2016**	66.15	64.18	63.52	59.71	58.58	56.06	54.78	52.36	50.14

✍ NCDEX DAILY LEVELS

DAILY	EXPIRY	R4	R3	R2	R1	PP	S1	S2	S3	S4
SYOREFIDR	**20-JAN-2016**	737	735	733	732	731	730	729	727	725
SYBEANIDR	**20-JAN-2016**	3171	3141	3111	3092	3081	3062	3051	3021	2991
RMSEED	**20-JAN-2016**	4370	4280	4190	4141	4100	4051	4010	3920	3830
JEERAUNJHA	**20-JAN-2016**	20377	19947	19517	19373	19087	18943	18657	18227	17797
GUARSEED10	**20-JAN-2016**	3424	3388	3352	3332	3316	3296	3280	3244	3208
TMC	**20-APR-2016**	7236	7128	7020	6982	6912	6874	6804	6996	6588

✍ NCDEX WEEKLY LEVELS

WEEKLY	EXPIRY	R4	R3	R2	R1	PP	S1	S2	S3	S4
SYOREFIDR	**20-JAN-2016**	761	750	739	735	728	724	717	706	695
SYBEANIDR	**20-JAN-2016**	3478	3347	3216	3144	3085	3013	2954	2823	2692
RMSEED	**20-JAN-2016**	4622	4445	4268	4180	4091	4003	3914	3737	3560
JEERAUNJHA	**20-JAN-2016**	20857	20247	19637	19433	19027	18823	18417	17807	17197
GUARSEED10	**20-JAN-2016**	3739	3585	3431	3371	3277	3217	3123	2969	2815
TMC	**20-APR-2016**	8047	7635	7223	7083	6811	6671	6399	5987	5575

MCX - WEEKLY NEWS LETTERS

✍ INTERNATIONAL UPDATES (BULLION & ENERGY)

Gold ended higher on Friday, buoyed by the weaker dollar as the inauguration of Donald Trump as U.S. president fueled uncertainty about the direction of fiscal and economic policy. Gold for February delivery settled up 0.67% at $1,209.5 on the Comex division of the New York Mercantile Exchange. The metal was 0.75% higher for the week, helped by a broad weakening of the U.S. dollar. The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, was down 0.33% to 100.77 late Friday. The index has fallen 1.49% so far this month amid worries over Trump's protectionist stance and following recent remarks in which he said the dollar was too strong. On Friday, Trump said his administration would put "America first" and also promised new roads, bridges and highways. But market sentiment was hit by the negative tone of the speech, which underlined uncertainty over how Trump will govern. Elsewhere in precious metals trading, silver was at $17.09 a troy ounce late Friday, and ended the week with gains of 1.59%.

Copper was trading at $2.61 a pound late Friday and ended the week down 2.35% as traders locked in profits after prices hit seven-week peaks. Platinum was up 2.66% on the day at $981.8 an ounce, trimming the week's losses to 0.6%. In the week ahead, the economic calendar is light but Trump's policy plans in his first days in office are likely to dominate headlines. Investors will also be awaiting a first look at fourth quarter growth from the U.S. on Friday and from the U.K. a day earlier. Tuesday's data on euro area private sector activity will also be closely watched. Ahead of the coming week, Investing.com has compiled a list of these and other significant events likely to affect the markets.

Monday, January 23

Canada is to publish data on wholesale sales.

ECB President Mario Draghi is to speak at an event in Italy.

Tuesday, January 24

The euro zone is to release data on private sector business activity.

The U.K. High Court is to deliver a ruling regarding the government's ability to bypass parliament and initiate Britain's exit from the European Union by triggering Article 50.

The U.K. is also to release data on public sector borrowing.

The U.S. is to report on existing home sales.

Wednesday, January 25

Australia is to publish data on inflation.

The Ifo Institute is to report on German business climate.

Thursday, January 26

New Zealand is to publish its monthly inflation report.

The U.K. is to release the preliminary reading on fourth quarter growth.

The U.S. is to release data on initial jobless claims and new home sales.

Friday, January 27

Shanghai stock exchange will be shut for a holiday.

The U.S. is to round up the week with a preliminary estimate of fourth quarter economic growth, as well as a report on durable goods orders and revised data on consumer sentiment.

Gold demand slowed in India this week as buyers postponed purchases on expectation of a cut in import duty and after a rebound in prices, while it was tepid across other major trading centres in Asia. In India, the world's second-largest consumer of the metal, dealers were charging a premium of up to $ 2 an ounce this week over official domestic prices that include a 10 percent import tax. The premiums were at $ 1 last week. "Buyers are anticipating a cut in import duty in the budget. That is prompting them to delay purchases. The Indian government will present on Feb. 1 its budget for the 2017/18 financial year starting on April 1. bullion industry has urged the government to cut the import duty to combat smuggling, which has increased since India raised the levy to 10 percent in August 2013 in a bid to narrow its current account deficit. A senior government official said earlier this month that the trade ministry has requested the finance ministry to cut the import duty to 6 percent. are also confused due to volatility in prices," said a Mumbai-based dealer with a private bank. "Investment demand has fallen substantially since the government banned higher-value currency notes." Gold MAUc1 was trading around 28,665 rupees per 10 grams on Friday. It fell to 26,862 rupees last month, the lowest level since Feb. 2, 2016. International gold prices were broadly steady on Friday, with spot gold XAU= on track for its fourth straight weekly gain, buoyed by a weaker dollar ahead of the inauguration of Donald Trump as U.S. President. In top consumer China, demand slowed on higher prices, a trader with a Chinese import bank said, causing premiums to shrink to $14 from $17 earlier this week. In Hong Kong and Singapore, premiums were quoted at around $1 - $1.30 an ounce, largely unchanged from last week. "Whenever prices go up over $1,190-$1,200, demand starts to slow down. Towards the Chinese New Year, the demand is usually sluggish and that's been the case this time," said Ronald Leung, chief dealer at Lee Cheong Gold Dealers in Hong Kong. Prices in Tokyo were at a discount of 50 cents this week compared with a discount of $1 last week. "Industrial demand picked up ahead of the Chinese New Year. However, we have seen more buybacks from dealers due to higher prices in Japan," a Tokyo-based trader said.

Gold prices edged higher on Friday, re-approaching a recent two-month peak as caution surrounding Donald Trump's future policies continued to boost demand for the safe-haven precious metal. On the Comex division of the New York Mercantile Exchange, gold futures for February delivery were up 0.40% at $1,206.15, not far from Wednesday's two-month high of $1,214.70.

The February contract ended Thursday's session 0.87% lower at $ 1,201.50 an ounce. Futures were likely to find support at $1,195.80, Thursday's low and resistance at $1,214.70. Gold prices initially dropped due to a stronger U.S. dollar late Thursday, after Fed Chair Janet Yellen said the central bank should continue to raise interest rates, but slowly. Speaking at a conference in San Francisco, Yellen said that "allowing the economy to run markedly and persistently 'hot' would be risky and unwise," before adding: "I consider it prudent to adjust the stance of monetary policy gradually over time."

The greenback also strengthened following the release of strong U.S. jobless claims and housing starts data, as well as an upbeat Philly Fed manufacturing activity report. A stronger U.S. dollar usually weighs on gold, as it dampens the metal's appeal as an alternative asset and makes dollar-priced commodities more expensive for holders of other currencies. But sentiment on the U.S. dollar became more vulnerable on Friday morning, ahead of Donald Trump's inauguration ceremony amid sustained uncertainty over the new U.S. administration's fiscal and economic policies. Demand for gold was also boosted by data on Friday showing that China's gross domestic product rose 6.8% in the fourth quarter of 2016, in line with expectations. Year-on-year, China's economy grew at a rate of 6.8%, slightly above expectations for a growth rate of 6.7%. China is the world's biggest gold consumer. Elsewhere in metals trading, silver futures for March delivery were little changed, down only 0.02% at $16.998 a troy ounce, while copper futures for March delivery dropped 0.59% to $2.595 a pound. Gold hovers near 2-month highs as dollar weakens.

Gold prices fell sharply during European morning trade on Thursday, dropping below the $1,200-level after Federal Reserve Chair Janet Yellen said the U.S. economy is strong enough to warrant higher interest rates. Gold for February delivery on the Comex division of the New York Mercantile Exchange slumped $12.35, or around 1%, to $1,199.75 a troy ounce by 3:35AM ET, after sliding 80 cents, or less than 0.1%, a day earlier. With the U.S. economy close to full employment and inflation headed toward the Federal Reserve's 2% goal, it "makes sense" for the U.S. central bank to gradually lift interest rates, Fed Chair Janet Yellen said on Wednesday. The Fed chief said that she and other Fed policymakers expected the central bank to lift its key benchmark short-term rate "a few times a year" through 2019. That pace could change depending on how the outlook for the economy develops, Yellen cautioned. Yellen speaks again Thursday evening at 8:00PM ET on the economic outlook and monetary policy at Stanford University. The dollar index was at 101.20 early Thursday, pulling away from a near two-month low of 100.23 touched earlier this week. The Fed indicated last month that at least three rate increases were in the offing for 2017, according to a forecast of interest rates from members of the central bank, known as the dot-plot. However, traders remained unconvinced. Instead, markets are pricing in just two rate hikes during the course of this year, according to Investing.com's Fed Rate Monitor Tool. Meanwhile, global financial markets will continue to focus on U.S. President-elect Donald Trump as he takes the Oath of Office and offers his inaugural address on Friday. Trump will be speaking at a pre-inauguration event later on Thursday.

Investors will welcome any detail he may give on his promises of tax reform, infrastructure spending and deregulation, as well as insight regarding policies on China and the domestic economy.

Trump has been credited with being a major catalyst behind the market's impressive rally since election day, although he has yet to outline his economic policies in detail. Also on the Comex, silver futures for March delivery sank 33.0 cents, or about 1.9%, at $16.94 a troy ounce during morning hours in London. Meanwhile, platinum fell 0.9% to $963.25, while palladium dipped 0.1% to $750.48 an ounce. Elsewhere in metals trading, copper futures eased up 0.4 cents, or about 0.1%, to $2.620 a pound.

Gold prices climbed to the highest level in around eight weeks on Tuesday, as investors looked ahead to a highly-anticipated speech by British Prime Minister Theresa May later in the day, at which she is expected to outline her plans for a 'Hard Brexit'. Gold for February delivery on the Comex division of the New York Mercantile Exchange touched a session peak of $ 1,212.50 a troy ounce, a level not seen since November 23. It was last at $ 1,210.85 by 3:00AM ET , up almost $15.00, or 1.2%. Markets in the U.S. were closed Monday for a public holiday. Britain will not seek a Brexit deal that leaves it "half in, half out" of the European Union, Prime Minister Theresa May will say on Tuesday, according to her office, in a speech setting out her 12 priorities for upcoming divorce talks with the bloc. Those priorities will include leaving the European Union's single market and regaining full control of Britain's borders, several newspapers reported, reinforcing investor fears of a 'Hard Brexit'.

May has previously stated she will trigger Article 50, which starts the formal withdrawal process from the European Union, by the end of March, but so far has given few details about what deal she will be seeking. She is due to set out more detail on her plans on Tuesday in a speech at around 11:45GMT to an audience including foreign diplomats and Britain's own Brexit negotiating team. Meanwhile, global financial markets will continue to focus on U.S. President-Elect Donald Trump as he takes the Oath of Office and offers his inaugural address on Friday. Investors will welcome any detail he may give on his promises of tax reform, infrastructure spending and deregulation, as well as insight regarding policies on China and the domestic economy. President-elect Trump has been credited with being a major catalyst behind the market's impressive rally since election day, although he has yet to outline his economic policies in detail. Markets were disappointed last week after Trump failed to offer details on his promises to boost fiscal spending and cut taxes at a highly-anticipated news conference.

The precious metal has been well-supported in recent days, climbing for seven sessions in a row, amid uncertainty surrounding the Federal Reserve's pace of interest rate hikes this year. The Fed had indicated in December that at least three rate increases were in the offing for 2017, according to a forecast of interest rates from members of the central bank, known as the dot-plot. However, traders remained unconvinced. Instead, markets are pricing in just two rate hikes during the course of this year, according to Investing.com’s Fed Rate Monitor Tool. A delay in raising interest rates would be seen as positive for gold, a non-interest-bearing asset, and negative for the dollar. Also on the Comex, silver futures for March delivery was up 21.2 cents, or nearly 1.3%, at $ 16.98 a troy ounce during morning hours in London. Meanwhile, platinum tacked on 0.55% to $991.80, while palladium dipped 0.2% to $ 747.65 an ounce. Elsewhere in metals trading, copper futures dropped 5.7 cents, or 2.1%, to $2.633 a pound.

Gold prices started the week higher on Monday, rallying to the strongest level in around two months as investors looked ahead to a highly-anticipated speech by British Prime Minister Theresa May and U.S. President-elect Donald Trump's inauguration later this week. Gold for February delivery on the Comex division of the New York Mercantile Exchange touched a session peak of $1,208.70 a troy ounce, a level not seen since November 23. It was last at $1,202.95 by 3:10AM ET (08:10GMT), up almost $7.00, or 0.6%. The British pound tumbled more than 1% against the dollar to a three-month low following media reports that suggested Prime Minister Theresa May's government was prepared to make a "clean and hard" exit from the European Union, ahead of her speech Tuesday. A report in The Sunday Times newspaper said that May was willing to quit the European Union's single market in order to regain control of Britain's borders. May has previously stated she will trigger Article 50, which starts the formal withdrawal process from the European Union, by the end of March, but so far has given few details about what deal she will be seeking. Meanwhile, global financial markets will continue to focus on U.S. President-Elect Donald Trump as he takes the Oath of Office and offers his inaugural address on Friday. Investors will welcome any detail he may give on his promises of tax reform, infrastructure spending and deregulation, as well as insight regarding policies on China and the domestic economy. President-elect Trump has been credited with being a major catalyst behind the impressive rally in U.S. shares and the dollar since election day, although he has yet to outline his economic policies in detail. Markets were disappointed last week after Trump failed to offer details on his promises to boost fiscal spending and cut taxes at a highly-anticipated news conference. The precious metal has been well-supported in recent sessions amid uncertainty surrounding the Federal Reserve’s pace of interest rate hikes this year. The Fed had indicated in December that at least three rate increases were in the offing for 2017, according to a forecast of interest rates from members of the central bank, known as the dot-plot. However, traders remained unconvinced. Instead, markets are pricing in just two rate hikes during the course of this year, according to Investing.com’s Fed Rate Monitor Tool. A delay in raising interest rates would be seen as positive for gold, a non-interest-bearing asset, and negative for the dollar. Also on the Comex, silver futures for March delivery was up 8.3 cents, or 0.5%, at $16.84 a troy ounce during morning hours in London. Meanwhile, platinum tacked on 0.1% to $986.40, while palladium advanced 0.4% to $751.75 an ounce.

Gold ended lower on Friday as investors took profits after prices hit a seven-week peak in the previous session, but still notched up a third consecutive weekly gain.

Gold for February delivery settled down 0.21% at $1,195.3 on the Comex division of the New York Mercantile Exchange. The metal was still 1.98% higher for the week, helped by a broad weakening of the U.S. dollar. The U.S. dollar index posted its largest weekly decline since late October, shedding 1.0% as optimism cooled over President-elect Donald Trump’s economic policy proposals.

The drop in the dollar came after Trump disappointed traders who had been hoping he would address economic and fiscal policies in his first formal news conference as U.S. president-elect.

The dollar had rallied to 14-year peaks earlier this month on expectations that Trump's policies would spur growth and inflation and prompt the Federal Reserve to raise interest rates more quickly.

Trump will officially take office on January 20. Elsewhere in precious metals trading, silver was at $16.83 a troy ounce late Friday, and ended the week with gains of 1.69%. Copper was up 1.29% at $2.70 a pound and ended the week up 6.62% on hopes for increased demand from top consumer China. Platinum was up 0.31% on the day at $987.75 an ounce and was up 1.53% for the week.

In the week ahead, financial markets will continue to focus on U.S. President-elect Trump ahead of his inauguration on Friday. Investors will be looking ahead to Thursday’ policy announcement by the European Central bank and Chinese data on fourth quarter growth, due for release on Friday.

Ahead of the coming week, Investing.com has compiled a list of these and other significant events likely to affect the markets.

Monday, January 16

U.S. financial markets will be closed for Martin Luther King Day.

Bank of England Governor Mark Carney is due to speak at an event in London.

Tuesday, January 17

New Zealand is to release private sector data on business confidence.

The U.K. is to release data on inflation.

The ZEW Institute is to report on German economic sentiment.

New York Fed President William Dudley is to speak at an event in New York and the U.S. is also to release the Empire state manufacturing index.

U.K. Prime Minister Theresa May is due to speak about starting proceedings for Britain’s exit from the European Union.

Wednesday, January 18

The U.K. is to publish its monthly jobs report.

The euro zone is to release revised data on inflation.

The U.S. is to publish figures on inflation and industrial production. Later in the day, Fed Chair Janet Yellen is to speak at an event in San Francisco.

The Bank of Canada is to announce its latest monetary policy decision and hold a press conference to discuss the economic outlook.

Thursday, January 19

Australia is to publish its monthly employment report.

The ECB is to announce its latest monetary policy decision. The announcement is to be followed by a press conference with President Mario Draghi.

Canada is to report on manufacturing sales and foreign securities purchases.

The U.S. is to release a series of reports, including data on building permits, housing starts, initial jobless claims and manufacturing activity in the Philadelphia region.

Fed Chair Janet Yellen is to speak at an event in Stanford.

Friday, January 20

China is to release data on fourth quarter growth as well as figures on industrial production.

The U.K. is to release data on retail sales.

Canada is to round up the week with data on retail sales.

✍ ENERGY

Oil ticked lower on Monday, falling for the first time in three sessions as prospects of rising U.S. production weighed on the market. U.S. energy companies last week added the most rigs drilling for new production in almost four years. Drillers added 29 rigs in the week to Jan. 20, bringing the total count up to 551, the most since November 2015, energy services firm Baker Hughes BHI.N said on Friday. oil production has risen more than 6 percent since mid-2016, although it remains 7 percent below a historic high in 2015. It is back to levels of late 2014, when strong U.S. crude output contributed to a crash in oil prices. Brent crude LCOc1 , the international benchmark for oil prices, was trading at $55.42 per barrel at 0441 GMT, down 7 cents from its last close. U.S. West Texas Intermediate crude futures CLc1 fell 11 cents to $53.11 a barrel. Crude oil had traded higher earlier in the session on the back of output cuts by OPEC and other producers. Production cuts by oil producers and a weaker dollar prevented the market from dropping further. OPEC and non-OPEC countries have made a strong start to lowering their oil output under the first such pact in more than a decade, energy ministers said on Sunday as producers look to reduce oversupply and support prices. said 1.5 million of almost 1.8 million barrels per day had already been taken out of the market. "Oil is trading in a range," said Jeffrey Halley, senior market analyst at OANDA brokerage in Singapore. "In the medium term it is going to be tough for oil to break out. The more oil goes up, the more these shale drillers are going to hedge by the futures." On the technical front, Brent may climb up to $56.55 per barrel, as it has cleared resistance at $55.43, according to Wang Tao, Reuters analyst for commodities and energy technicals. funds rushed to place bullish wagers on U.S. crude oil last week, data showed on Friday. The U.S. dollar fell against the euro and yen on Tuesday after a drop in oil prices suggested U.S. inflation would stay low and prevent the Federal Reserve from hiking interest rates at a steady pace this year. Risk aversion also boosted the euro and yen. A weaker dollar makes greenback-priced commodities cheaper for importer holding other currencies.

Oil prices edged up on Monday, supported by statements from oil producers over the weekend that an output cut was being successfully implemented, but markets were held back by a surge in drilling that suggested U.S. production would rise further.

Brent crude futures LCOc1 , the international benchmark for oil prices, were trading at $55.57 per barrel at 0016 GMT, up 8 cents from their last close.

U.S. West Texas Intermediate crude futures were up 8 cents at $53.30 a barrel.

"Oil rallied strongly as oil producers met to discuss the adherence to the production cut agreement. Saudi Arabian Energy Minister Khalid al-Falih said that producers have cut 1.5 million barrel per day so far in 2017," ANZ bank said on Monday. "Prices reversed these gains after data showed another pickup in drilling activity," it added. U.S. energy companies last week added the most rigs drilling for new production in almost four years. Drillers added 29 rigs in the week to Jan. 20, bringing the total count up to 551, the most since November 2015, energy services firm Baker Hughes BHI.N said on Friday. oil production levels have risen over 6 percent since mid-2016, and although they remain 7 percent below their historic 2015 peak, they are back to levels of late 2014, when high U.S. crude output contributed to a crash in oil prices.

Oil futures finished higher on Friday, logging a modest weekly gain with traders encouraged by signs that global supply is tightening in wake of a planned agreement by major crude producers to cut output. On the ICE Futures Exchange in London, Brent oil for March delivery rallied $1.33, or about 2.5%, to settle at $55.45 a barrel by close of trade Friday. London-traded Brent futures scored a gain of 4 cents, or approximately 0.1%, on the week. Elsewhere, on the New York Mercantile Exchange, crude oil for delivery in March jumped $1.10, or around 2.1%, to end at $53.22 a barrel by close of trade. For the week, New York-traded oil futures rose 5 cents, or nearly 0.1%. Oil jumped on Friday after Saudi Arabia's Energy Minister Khalid al-Falih, speaking at the World Economic Forum in Davos, said that 1.5 million barrels a day of the roughly 1.8 million in cuts pledged by OPEC and non-OPEC countries have already been taken out of the market. The upbeat comments added to signs that the oil market is rebalancing. Prices, however, finished off the session's highs after data showed a sharp weekly rise in the number of active U.S. rigs drilling for oil. According to oilfield services provider Baker Hughes, the number of rigs drilling for oil in the U.S. jumped by 29 last week to 551, the largest weekly increase since a recovery in the rig count began in June and the highest level in around 14 months. The data raised concerns that the ongoing rebound in U.S. shale production could derail efforts by other major producers to rebalance global oil supply and demand. In a monthly report issued this week, the International Energy Agency said OPEC production has slowed, declining by 320,000 barrels a day to 33.09 million barrels in December. January 1 marked the official start of the deal agreed by OPEC and non-OPEC member countries such as Russia in November last year to reduce output by almost 1.8 million barrels per day to 32.5 million for the next six months. The deal, if carried out as planned, should reduce global supply by about 2%. Some traders remain skeptical that the planned cuts will be as substantial as the market currently expects. While some major oil producers, such as Saudi Arabia and Kuwait, have so far showed signs that they are sticking to their pledge to cut back output, others, such as Libya and Iraq have ramped up production. A monitoring committee charged with tracking adherence to the global deal is due to meet in Vienna for the first time on January 22. Elsewhere on Nymex, gasoline futures for February rose 3.1 cents, or about 2.1% to $1.566 a gallon. It ended down about 2.9% for the week. February heating oil tacked on 2.7 cents, or 1.7%, to finish at $1.645 a gallon. For the week, the fuel declined around 0.3%. Natural gas futures for February delivery sank 16.4 cents, or nearly 4.9%, to $3.204 per million British thermal units. It posted a weekly loss of more than 6% on forecasts for warmer winter weather. In the week ahead, market participants will eye fresh weekly information on U.S. stockpiles of crude and refined products on Tuesday and Wednesday to gauge the strength of demand in the world's largest oil consumer.

Traders will also continue to pay close attention to comments from global oil producers for further evidence that they are complying with their agreement to reduce output this year. Ahead of the coming week, Investing.com has compiled a list of these and other significant events likely to affect the markets.

Tuesday, January 24

The American Petroleum Institute, an industry group, is to publish its weekly report on U.S. oil supplies.

Wednesday, January 25

The U.S. Energy Information Administration is to release weekly data on oil and gasoline stockpiles.

Thursday, January 26

The U.S. EIA is to produce a weekly report on natural gas supplies in storage.

Friday, January 27

Baker Hughes will release weekly data on the U.S. oil rig count.

Oil prices rose more than 2 percent on Friday on expectations that this weekend's meeting of the world's top oil producers would demonstrate compliance to a global output cut deal, but rising U.S. drilling activity limited gains. Members of the Organization of the Petroleum Exporting Countries and some other producing countries including Russia will meet in Vienna this weekend to establish a mechanism to verify compliance with a deal to cut 1.8 million barrels per day (bpd) of output, OPEC's secretary general told Reuters. Arabia's energy minister said 1.5 million bpd had already been taken out of the market. "The petroleum markets are moving higher in Friday trade on the latest round of positive talk about how much supply oil producers have taken offline ahead of Sunday's review by OPEC and non-OPEC representatives in Vienna," Tim Evans, Citi Futures' energy futures specialist, said in a note. Brent crude LCOc1 ended the session up $1.33, or 2.5 percent, at $55.49 a barrel. U.S. crude for February delivery CLc1 closed up by $1.05, or 2 percent, at $52.42 a barrel before expiring. The more active March contract settled up 2.1 percent at $ 53.22. For the week, both contracts were largely unchanged. Prices pared gains after data from energy services firm Baker Hughes showed U.S. drilling companies this week added the most oil rigs in nearly four years. Swelling oil stockpiles in the U.S. and rising shale production could threaten market rebalancing, analysts said."For a lasting balance to be restored on the oil market and the very high stocks reduced, the agreement will need to be strictly implemented over a considerable period of time," Commerzbank said in a note. "This is particularly true given that U.S. oil production is rising again and given that the oil supply from Libya and Nigeria may be expanded." U.S. crude inventories USOILC=ECI unexpectedly soared 2.3 million barrels last week as refineries sharply slowed production, while gasoline builds were much larger than expected amid weak demand, the Energy Information Administration said on Thursday. funds rushed to place bullish wagers on U.S. crude oil in the week to Jan. 17, boosting their net long positions to the highest levels since July 2014, data from the U.S. Commodity Futures Trading Commission showed. long positions in NYMEX futures and options 3067651MLNG among speculators soared to the highest on record, based on publicly available data going back to 2006. Libya's National Oil Corporation , meanwhile, said production had now climbed to 722,000 bpd, resuming its rise after poor weather had caused a small dip. Schieldrop, chief commodities analyst at SEB Markets, said Brent crude was starting to move into a trading range around $55 as the production cut deal placed a floor price of $50, while U.S. shale oil producers capped the upside at $60.

Oil rose Friday as Chinese GDP growth beat expectations, with the latest U.S. rig count data on tap. Brent crude was up 75 cents, or 1.38%, at $54.91 at 07:45 ET. U.S. crude gained 65 cents, or 1.25%, to $ 52.77. China's fourth quarter GDP growth came in at 6.8% compared with a forecast of 6.7% boosting expectations of healthy demand for oil. Official U.S. crude inventories unexpectedly rose in the latest week when they were forecast to fall. OPEC and non-OPEC producers have agreed to cut output by some 1.8 million barrels a day in the first half of this year. The International Energy Agency Thursday said it sees the market tightening in the wake of the cuts.

But it warned that higher prices could encourage increased activity by U.S. shale producers. Baker Hughes rig count data are due out later in the session.

U.S. liquefied natural gas exporters are sending tankers to Asia to fill a gap in the region's demand as markets have tightened more-than-expected on surging consumption in China and Pakistan, and because of Australia's struggles to ramp up production.

Benefiting from the Panama Canal expansion last year that allows bigger ships to cross from the Gulf of Mexico into the Pacific, around a dozen LNG cargoes from the United States have gone to Asia since December. Data in Thomson Reuters Eikon currently shows two LNG tankers, carrying a combined 280,000 cubic metres of gas, are currently crossing to Asia from Louisiana. U.S. LNG exports are coming from Cheniere Energy's LNG.A Sabine Pass, Louisiana, facility that opened last year as the first U.S. export terminal outside Alaska. They included the first-ever U.S. shale gas going to South Korea, which arrived this month and was bought by South Korea's private gas company SK E&S Co. spot natural gas GT-HH-IDX costs just $3.21 per million British thermal units, while Asian spot LNG prices LNG-AS have soared over 80 percent since June last year to almost $ 10 per mmBtu. "This run up in prices definitely took everyone by surprise. In mid-2016, I don't think anyone expected LNG prices to double to reach $10 per mmBtu," "Cheniere definitely did well (out of filling the supply gap), as they have been selling on a spot basis." Shipping brokerage Arctic Securities said this week that this Asian LNG premium meant "LNG traders (are) netting $1 million plus per U.S.-Asia cargo."

Along with Cheniere, Royal Dutch Shell RDSa.L , and Spain's Gas Natural Fenosa GAS.MC have been active exporters from Louisiana to Asia. "LNG exports out of U.S. to Asia... is clearly an attractive deal which is benefiting the likes of Cheniere Marketing, and Shell/GNF, who own volumes at the first two trains," Arctic Securities said.

U.S. oil climbed for a second day on Friday underpinned by expectations of tighter supply, but prices remained in a range as they were pressured by rising U.S. inventories. U.S. West Texas Intermediate crude oil futures CLc1 were trading up 20 cents at $51.57 per barrel at 0038 GMT. Brent crude LCOc1 was yet to trade. The International Energy Agency said that while it was "far too soon" to gauge OPEC members' compliance with promised cuts, commercial oil inventories in the developed world fell for a fourth consecutive month in November, with another decline projected for December. U.S. crude inventories rose unexpectedly last week as refineries sharply slowed production, while gasoline stocks soared amid weak demand, the Energy Information Administration said on Thursday. inventories USOILC=ECI rose 2.3 million barrels in the week to Jan. 13, compared with analyst expectations for an increase of 342,000 barrels. The data showed much larger-than-expected builds in gasoline with inventories of the motor fuel on the U.S. East Coast swelling to the highest weekly levels on record for this time of year, when refiners typically begin storing barrels ahead of summer driving season.

"Crude oil prices were range-bound despite the EIA's weekly report showing a gain in inventories," ANZ said in a note. "OPEC continued its commentary around a strong adherence to the production cut agreement as the monitoring committee meetings to discuss progress." Brent as well WTI futures were on track for a second week of declines. OPEC, which is cutting oil output alongside independent producer Russia, wants a lasting partnership with Moscow, Saudi Energy Minister Khalid al Falih told Reuters. He said the deal need not be extended for a full year if the market rebalances. stocks around the world need to decline by at least another 270 million barrels to reach a five-year industry average for OPEC to be able to say the markets are becoming balanced, OPEC Secretary General Mohammed Barkindo told Reuters.

World oil markets are slowly tightening as demand rises while investors wait to see if production cuts agreed by OPEC and other producers will be implemented as promised, the International Energy Agency said on Thursday.

- Nigerian President Muhammadu Buhari will travel to Britain on Thursday for medical checks and is expected to resume work on Feb. 6, his spokesman said. State-firm Sonangol was said to have sold all its cargoes with the exception of one Mondo cargo in March.

- China, the largest consumer of Angolan crude, has been buying up cargoes quickly ahead of the Chinese New Year.

- Around 20 cargoes were still available with little trade with the appearance of new tenders.

- Contract lifters and producers have flown to the capital Abuja to sort out quarterly allocations and reconciliations with state firm NNPC.

- March loading programmes and official selling prices are expected to surface in the next day or so.

- India's IOC issued tenders to buy crude for February and March loading.

- India's HPCL was running a tender to buy March-loading cargoes. The results are expected on Friday.

Oil prices rose on Thursday, but swelling crude stockpiles in the United States limited the rebound from a one-week low after the International Energy Agency said oil markets had been tightening even before cuts agreed by OPEC and other producers took effect. The IEA said that while it was "far too soon" to gauge OPEC members' compliance with promised cuts, commercial oil inventories in the developed world fell for a fourth consecutive month in November, with another decline projected for December. Benchmark Brent crude LCOc1 was up 38 cents, or 0.7 percent, at $54.30 a barrel by 11:44 a.m. EST after closing down 2.8 percent in the previous session. U.S. crude CLc1 rose 36 cents, or 0.7 percent, to $ 51.44 a barrel, having dropped to a one-week low on Wednesday of $ 50.91. Prices tumbled to session lows after weekly inventory data from the U.S. Energy Information Administration showed U.S. crude inventories rose unexpectedly last week as refineries sharply cut production.

The data also showed much larger-than-expected increases in stocks of gasoline and a surprise drop distillates inventories. Stockpiles of gasoline in the U.S. East Coast swelled to the highest weekly levels on record for this time of year, when refiners typically begin storing barrels ahead of summer driving season. "At the end of the day, the focus is on the bigger picture and the bigger picture still looks positive which is why we are still up," said Scott Shelton, energy specialist at ICAP (LON:NXGN) in Durham, North Carolina. "The bigger picture includes the OPEC/non-OPEC supply cuts and the IEA report, which was pretty supportive." Oil prices have gyrated this year, as hopes for output cuts by the Organization of the Petroleum Exporting Countries and other producers have alternated with fears of a sharp rebound in U.S. shale production. The head of the IEA, Fatih Birol, said in Davos, Switzerland, that he expected U.S. shale oil output to rebound by as much as 500,000 barrels per day over the course of 2017, which would be a new record. which is cutting oil output alongside independent producer Russia, wants a lasting partnership with Moscow, Saudi Energy Minister Khalid al Falih told Reuters. He said the deal need not be extended for a full year if the market rebalances. IEA sharply raised its 2016 demand growth estimate, and said the data indicated that rising demand was slowly tightening global oil markets. analysts said OPEC and other producers must cut output as promised, as a resilient U.S. shale industry could add barrels to the market.

In a knee-jerk reaction, West Texas Intermediate oil pared gains in North American trade on Thursday, after data showed that oil supplies in the U.S. registered an unexpected inventory build.

Crude oil for February delivery on the New York Mercantile Exchange gained 56 cents, or 1.10%, to trade at $51.54 a barrel by 11:02AM ET compared to $51.64 ahead of the report. The U.S. Energy Information Administration said in its weekly report that crude oil inventories jumped by 2.347 million barrels in the week ended January 13. Market analysts' had expected a crude-stock draw of 0.342 million barrels, while the American Petroleum Institute late Wednesday reported a supply drop of 5.04 million barrels. Supplies at Cushing, Oklahoma, the key delivery point for Nymex crude, declined by 1.274 million barrels last week, the EIA said. Total U.S. crude oil inventories stood at 485.5 million barrels as of last week, according to press release, which the EIA considered to be “near the upper limit of the average range for this time of year”. The report also showed that gasoline inventories increased by 5.951 million barrels, compared to expectations for a build of 2.023 million barrels, while distillate stockpiles fell by 0.968

million barrels, compared to forecasts for a gain of 0.162 million.

The data was released one day later than usual due to the holiday last Monday. Elsewhere, on the ICE Futures Exchange in London, Brent oil for March delivery rose 28 cents, or 0.52%, to $54.20 by 11:07AM ET, compared to $54.51 before the release. The data release came after the monthly oil market report from the International Energy Agency showed that world oil markets are slowly tightening as demand rises. Commercial oil inventories in the major industrialized countries fell for a fourth consecutive month in November, the IEA said, although they remained more than 300 million barrels above the five-year average. The IEA said output cuts announced by the Organization of the Petroleum Exporting Countries and 11 non-OPEC producers in November had "entered their probation period" and that it was too early to see what level of compliance had been achieved.

January 1 marked the official start of the deal agreed by OPEC and non-OPEC member countries such as Russia in November last year to reduce output by almost 1.8 million barrels per day to 32.5 million for the next six months. The deal, if carried out as planned, should reduce global supply by about 2%.

A monitoring committee charged with tracking adherence to the global deal is due to meet in Vienna for the first time on January 22. Meanwhile, Brent's premium to the WTI crude contract stood at $2.74 a barrel by 11:08AM ET , compared to a gap of $2.84 by close of trade on Wednesday.

Oil turned higher Thursday ahead of official U.S. stockpile data later in the session.

Brent crude was up 50 cents, or 0.93%, at $ 54.42 at 07:45 ET. U.S. crude rose 48 cents, or 0.94%, to $ 51.56. American Petroleum Institute data Wednesday showed a surprise fall in U.S. crude stocks of some 5 million barrels. Official Energy Information Administration figures due Thursday are expected to show a drop of 342,000 barrels in U.S. crude stocks in the latest week. OPEC Wednesday indicated it expects the market to rebalance this year in the wake of output cuts. OPEC and non-OPEC producers have agreed to cut output by some 1.8 million barrels a day in the first half of this year.

The International Energy Agency said Thursday it sees tighter market conditions on the cuts.

But it also warned that higher prices could encourage increased activity by U.S. shale producers.

World oil markets are slowly tightening as demand rises while investors wait to see if production cuts agreed by OPEC and other producers will be implemented as promised, the International Energy Agency said on Thursday. In its monthly oil market report, the IEA said output cuts announced by the Organization of the Petroleum Exporting Countries and 11 non-OPEC producers in November had "entered their probation period" OPEC agreed in November to cut production by 1.2 million barrels per day to 32.5 million bpd for the first six months of 2017, together with another 558,000 bpd in cuts from the likes of Russia, Oman and Mexico. "It is far too soon to see what level of compliance has been achieved," said the IEA, which advises advanced industrial economies on energy policy. "The market awaits the outcome of the output deal." Meanwhile oil stocks are falling and demand is rising.

Commercial oil inventories in the major industrialised countries fell for a fourth consecutive month in November, the IEA said, although they remained more than 300 million barrels above the five-year average. In July last year, OECD commercial stocks hit a record high of 3.101 billion barrels. The agency said stronger oil consumption had led it to raise its estimate of global oil demand growth over the last year by 110,000 bpd to 1.5 million bpd, well above the average rate of growth seen in this century of 1.2 million bpd. Global oil demand growth hit a five-year peak of 1.8 million bpd in 2015.

This year the agency expects world oil demand growth of around 1.3 million bpd. Oil production in the United States and other countries outside of OPEC were beginning to respond to higher prices since the announcement of the OPEC production cuts, it said. Benchmark Brent crude oil LCOc1 is now trading close to $55 a barrel, up from between $ 40 and $ 50 in November and at a level sufficient to allow many new oil projects to operate profitably, industry analysts say.

U.S. oil production was rebounding, led by light tight oil, also commonly known as shale oil, as exploration drilling increased and wells became more efficient, the IEA said.

"Not only is the rig count rising, but recent reports tell us that the productivity of shale activity has improved in leaps and bounds," it said."Whether it be shorter drilling times or larger amounts of oil produced per well, there is no doubt that the U.S. shale industry has emerged from the $30 a barrel oil world we lived in a year ago much leaner and fitter," it added.

One of the consequences of the cuts to crude oil supply by OPEC and its allies has been the sharp narrowing of the premium that light crude commands over heavier grades. In theory, this should result in increased flows of light crude to Asia, with refiners substituting gasoline-rich grades for the heavier crudes typically more popular in the region. But there are as yet few signs that this is happening, most likely because many Atlantic basin producers of light crude are unable to pump more, and because Asian refiners are still enjoying strong margins on products despite price increases for the heavier oils. The Brent-Dubai exchange for swaps DUB-EFS-1M , which tracks the difference between Brent, global benchmark for light crude, and Dubai, main price marker for heavier oil in the Middle East, dropped to its narrowest in 15 months last week. The premium of Brent over Dubai fell to $1.65 a barrel on Jan. 13, recovering slightly to end at $1.71 on Wednesday this week. This is well below the $4.65 a barrel that prevailed around this time last year. The spread in fact has been on a narrowing trend since January 2016, but the pace has accelerated since early September, when the market started to anticipate that OPEC and its allies may actually deliver on long-discussed output cuts. An agreement was reached at end-November for OPEC to take about 1.2 million barrels per day (bpd) from the market, with non-OPEC allies such as Russia pledging a further 600,000-bpd reduction.

The Brent-Dubai spread dropped from $2.60 a barrel on Dec. 2 to the low last week, a decline of 36.5 percent as the price for heavier crudes gained more relative to lighter grades. This is largely because much of the crude that will be removed from the market is heavy oil, with the bulk of OPEC's cuts being shouldered by Saudi Arabia and other Gulf producers. In effect, the output cuts by the Gulf producers have mainly acted to give a bigger boost to the prices for the type of oil they predominantly produce, at the expense of lighter grades. Brent crude futures LCOc1 closed on Wednesday at $53.92 a barrel, up 16.2 percent since Nov. 29, the day before the OPEC meeting in which the output cuts were agreed. Over the same time frame, Oman futures 1OQc1 traded on the Dubai Mercantile Exchange have gained 19.1 percent, ending at $52.30 a barrel on Wednesday. In theory, the stronger prices for heavier crude should boost demand for the now, relatively cheaper lighter grades. Anecdotal evidence so far from traders suggests that Asian refiners are yet to consider switching to lighter grades in any meaningful volumes, partly because of supply problems from producers such as Angola, Nigeria and Libya. This is largely backed by data compiled by Thomson Reuters Supply Chain and Commodity Forecasts showing that Asian imports from the Middle East have remained robust in recent months. In January, forecast imports from the Middle East will account for 65.4 percent of Asia's total, lower than the 67.2 percent in October, but above the 63.7 percent in December. Over the past 11 months, the Middle East's share of Asian crude imports has averaged 65.9 percent, meaning there has only been a slight reduction since the OPEC cuts took effect. Africa's share of Asian imports is forecast at 11.8 percent in January, higher than the 10.75 percent of the last 11 months, but still within the overall range of between 10 and 12 percent.

U.S. oil on Thursday moved away from one-week lows touched the session before, with investors turning their attention to upcoming government data on U.S. inventories. Sentiment in oil markets has been torn between expectations of a rebound in U.S. shale production and hopes that oversupply may be curbed by output cuts announced by the Organization of the Petroleum Exporting Countries and others. U.S. West Texas Intermediate crude oil futures CLc1 were trading up 38 cents at $51.46 per barrel at 0035 GMT, after dropping to a one-week low on Wednesday at $50.91 a barrel.

Brent crude LCOc1 , the international benchmark for oil prices, was yet to trade after closing down 2.8 percent in the last session. "The International Energy Agency said it expects higher oil prices to trigger a significant boost in U.S. shale output," ANZ said in a note. "This is broadly in line with our estimate. However, we still expect the global oil market to move into a significant deficit in the first half of 2017." The market is seeking direction from weekly inventory data from the U.S. Energy Information Administration , due at 1600 GMT. It has been delayed by a day due to a U.S. public holiday on Monday. Meanwhile, OPEC, excluding Indonesia, pumped 33.085 million barrels per day last month, according to figures the organisation collects from secondary sources, down 221,000 bpd from November, it said in a monthly report on Wednesday. The figures showed the biggest reduction came from Saudi Arabia. and other non-OPEC producers in November and December pledged to cut oil output by nearly 1.8 million bpd, initially for six months, to bring supplies back in line with consumption. The dollar, which influences moves in greenback-priced commodities, inched up against the yen and kept broad gains against other major peers.

OPEC signalled a falling oil supply surplus in 2017 on Wednesday as the exporter group's output slips from a record high ahead of a deal to cut supply and outside producers show positive initial signs of complying with the accord. While Saudi Arabia made the largest cuts, lower production in Nigeria, which is exempt from OPEC cuts but has been curbed by conflict, provided the second largest, the survey said.

- At least two cargoes from Angola's just-issued March export plan had already traded, leading to hopes of higher differentials.

- Sonangol sold its March-loading cargo of Pazflor to Shell , traders said. It had been offering the cargo at a 90 cent discount to dated Brent.

- A cargo of Sangos had traded even before the programme was issued, but the buyer was not immediately clear.

- Asian demand led to quick sales of the February programme, and some expected a similar picture for March cargoes.

- Sellers, expecting firmer differentials, were not making offers yet in hopes of luring higher bids.

- Angola's March exports are expected to fall to 1.51 million barrels per day (bpd) O/LOAD

NIGERIA

- Vitol purchased a cargo of Qua Iboe from ExxonMobil, traders said. The grade was offered at premiums of 70 cents per barrel versus dated Brent, but traders said the final price was likely below this.

- A cargo of Akpo from the February programme had also traded, but further details were not available.

- Some buyers are still avoiding Nigerian exports due to continued instability. The Bonny Light loading plan was subject to particular delays, but Qua Iboe cargoes were also becoming less reliable, traders said.

- Oil pipelines in OML 30 and 34 in Nigeria's Delta region were set on fire late on Tuesday and the fires have been extinguished, a community leader told Reuters. Because these fields feed into the still-closed Trans Forcados Pipeline, the impact on exports was not clear.

- Around 20 cargoes were still available from the February programme, with the March programme due any day.

- India's HPCL was running a tender to buy March-loading cargoes. The results are expected on Friday.

OPEC Wednesday raised its forecast for demand for oil this year but also hiked its forecast for U.S. supply. OPEC lifted its outlook for demand by 1.16 mn bpd to 95.60 mn as global economic growth seen higher. It increased its forecast for U.S. supply by 230,000 bpd on a higher rig count and stronger cash flows. OPEC expects total non-OPEC supply to rise by 120,000 bpd this year, down from a previous forecast of growth of 300,000 bpd. OPEC and non-OPEC producers have agreed to cut output by 1.8 mn bpd in the first half of this year.OPEC December output fell by 221,000 bpd to 33.085 mn.

Oil was down over 1% Wednesday as OPEC raised its U.S. output forecast for 2017.

Brent crude was down 81 cents, or 1.46%, at $54.66 at 08:00 ET. U.S. crude shed 93 cents, or 1.77%, to $ 51.55. OPEC raised its forecast for U.S. output on the basis of increasing oil rig count and higher prices. The American Petroleum Institute is due later in the session to release U.S. crude stock figures for the latest week. These will be followed Thursday by official Energy Information Administration data. OPEC and non-OPEC producers have agreed to cut output by some 1.8 million barrels a day in the first half of this year. In its latest monthly report, OPEC expressed optimism about compliance with that agreement. The dollar index was higher. A stronger dollar weakens demand for oil.

Gold prices were little changed on Wednesday, holding near the prior session's eight-week high as investors await Federal Reserve Chair Janet Yellen's speech on monetary policy. Market players also looked ahead to U.S. inflation data later in the day. Gold for February delivery on the Comex division of the New York Mercantile Exchange held steady at $ 1,212.65 a troy ounce by 3:15AM ET , after jumping $16.70, or 1.4%, a day earlier. Prices of the yellow metal rallied to $1,218.90 on Tuesday, a level not seen since November 22, as the U.S. dollar plunged after President-elect Donald Trump warned that the greenback was “too strong” in an interview with the Wall Street Journal.

The dollar index was up around 0.3% to 100.51 early Wednesday, not far from the previous session's six-week low of 100.23. Global financial markets will continue to focus on Trump as he takes the Oath of Office and offers his inaugural address on Friday. Investors will welcome any detail he may give on his promises of tax reform, infrastructure spending and deregulation, as well as insight regarding policies on China and the domestic economy. Trump has been credited with being a major catalyst behind the market's impressive rally since election day, although he has yet to outline his economic policies in detail. Meanwhile, Yellen's speech later on Wednesday to the Commonwealth Club in San Francisco could offer fresh clues about the timing of the next rate hike. San Francisco Federal Reserve Bank President John Williams on Tuesday called for a gradual rise in interest rates over the next few years to keep the economy from overheating and ultimately falling into recession. Separately, Fed Governor Lael Brainard said on Tuesday the U.S. central bank might hike rates more aggressively if deficit spending under the Trump administration produced a quick economic boost. The precious metal has been well-supported in recent weeks amid uncertainty surrounding the Federal Reserve’s pace of interest rate hikes this year. The Fed had indicated in December that at least three rate increases were in the offing for 2017, according to a forecast of interest rates from members of the central bank, known as the dot-plot. However, traders remained unconvinced. Instead, markets are pricing in just two rate hikes during the course of this year, according to Investing.com’s Fed Rate Monitor Tool. A delay in raising interest rates would be seen as positive for gold, a non-interest-bearing asset, and negative for the dollar. Also on the Comex, silver futures for March delivery was up 2.0 cents, or about 0.1%, at $17.16 a troy ounce during morning hours in London.

Meanwhile, platinum fell 0.55% to $977.60, while palladium dipped 0.9% to $746.42 an ounce.

Elsewhere in metals trading, copper futures dropped 0.2 cents, or 0.1%, to $2.623 a pound.

Gold hovers below 8-week high ahead of Yellen, U.S. inflation data

Oil prices rose on Wednesday with a weaker dollar underpinning the market, although gains were limited by expectations that U.S. producers would boost output. U.S. West Texas Intermediate crude oil futures CLc1 were trading up 17 cents at $52.65 per barrel at 0448 GMT. Brent crude futures LCOc1 , the international benchmark for oil prices, were up 17 cents $55.64 a barrel. The dollar .DXY was trading near its lowest in six weeks against a basket of currencies after U.S. President-elect Donald Trump said that the strong greenback was hurting U.S. competitiveness. A weaker greenback makes dollar-denominated crude less expensive for users of other currencies, potentially spurring fuel demand. "U.S. oil has been supported by considerable weakening in the U.S. dollar over the last 24 hours," said Ric Spooner, chief market analyst at CMC Markets in Sydney. "There are two or three key things to watch, U.S. production numbers are important, given the sharp rise we have seen in output. Another issue on the supply side is any news on OPEC countries unwinding their production." Oil has drawn support from top crude exporter Saudi Arabia, which said it would adhere strictly to its commitment to cut output under the agreement between the Organization of the Petroleum Exporting Countries and other producers. the agreement, OPEC, Russia and other non-OPEC producers have pledged to cut oil output by nearly 1.8 million bpd, initially for six months, to bring supplies back in line with consumption. The output cuts agreed by OPEC and others are likely to come largely from field and refinery maintenance, BMI Research said in a note. It said oil producers are expected to use lower volumes needed for domestic power generation in a bid to maintain export volumes. "Sticking to output targets is important but export volumes from the participating countries are a much better indicator of how the cuts will affect the market," it said. "Participating members are keen not to sacrifice vital export revenue so are trying to find ways to limit domestic crude usage in order to prioritise filling their contracts to foreign refiners." At the same time, U.S. oil production is set to rise towards 9 million barrels per day, the U.S. government said on Tuesday, providing headwinds to oil futures. Ryan Zinke of Montana, President-elect Donald Trump's nominee for interior secretary, on Tuesday said he would consider an expansion of energy drilling and mining on federal lands but would ensure sensitive areas remain protected.

Crude oil futures edged higher on Wednesday with a weaker dollar underpinning the market, although gains were limited by expectations that U.S. producers would boost output.

U.S. West Texas Intermediate crude oil futures CLc1 were trading up 3 cents at $52.51 per barrel at 0058

GMT. Brent crude oil LCOc1 , the international benchmark for oil prices, was up 4 cents $55.51 a barrel. The dollar .DXY was trading near its lowest in six weeks against a basket of currencies after U.S. President-elect Donald Trump said that the strong greenback was hurting U.S. competitiveness.

A weaker greenback makes dollar-denominated crude less expensive for users of other currencies.

"A combination of a weaker U.S. dollar and supportive comments from Saudi Arabia saw crude oil prices rise," Oil has drawn support from top crude exporter Saudi Arabia, which said it would adhere strictly to its commitment to cut output under the agreement between the Organization of the Petroleum Exporting Countries and other producers. the agreement, OPEC, Russia and other non-OPEC producers have pledged to cut oil output by nearly 1.8 million bpd, initially for six months, to bring supplies back in line with consumption. At the same time, U.S. oil production is set to rise towards 9 million barrels per day, the U.S. government said on Tuesday, providing headwinds to oil futures. Ryan Zinke of Montana, President-elect Donald Trump's nominee for interior secretary, on Tuesday said he would consider an expansion of energy drilling and mining on federal lands but would ensure sensitive areas remain protected.

Oil prices were little changed on Tuesday as forecasts for record production out of Russia in 2017 helped offset earlier gains related to a decline in the U.S. dollar and Saudi Arabia saying it would adhere to OPEC's commitment to cut output. Brent LCOc1 futures were up 5 cents, or 0.1 percent, at $55.91 a barrel by 11:26 a.m. EST (1626 GMT), while U.S. West Texas Intermediate crude CLc1 rose 32 cents, or 0.6 percent, to $52.69. Both contracts were up by $ 1 earlier Tuesday. Earlier gains were capped by forecasts for rising U.S. and Russian production and scepticism that the Organization of the Petroleum Exporting Countries as a whole would comply with its commitment to reduce supplies.

Russian oil production is expected to reach another post-Soviet record high in 2017 after a global deal to cut output expires at the end of June, according to a Reuters poll of analysts. and rising production out of Libya, Iran, Iraq and Nigeria will be acting to negate impact of OPEC/Russia output curtailments. Ritterbusch also noted that U.S. production was also on the upswing with last week's reported upside acceleration likely to be sustained to about 9.2 million barrels per day by the end of the quarter. said that oil drew some support earlier Tuesday from top crude exporter Saudi Arabia, which said it would adhere strictly to its commitment to cut output under the agreement between OPEC and other producers, such as Russia. the agreement, OPEC, Russia and other non-OPEC producers have pledged to cut oil output by nearly 1.8 million bpd, initially for six months, to bring supplies back in line with consumption. Oil exports from Iraq's southern terminals have fallen so far in January, according to loading data and an industry source, a sign that OPEC's second-largest producer is following through on the group's decision to cut output. dollar, meanwhile, fell by 0.7 percent against a basket of currencies .DXY after U.S. President-elect Donald Trump said that the strong greenback was hurting U.S. competitiveness. A weaker greenback makes dollar-denominated crude less expensive for users of other currencies. Stockpiles at the U.S. delivery hub for crude futures in Cushing, Oklahoma, which the government said declined about 580,000 barrels in the week to Jan. 6, fell about 756,000 barrels in the week to Jan. 13, according to traders, citing energy monitoring service Genscape.

Oil edged up on Tuesday after Saudi Arabia said it would strictly adhere to a commitment to cut output, but worries in financial markets about the outlook for crude supply dragged on prices.

U.S. West Texas Intermediate crude oil futures were trading up 15 cents at $ 52.52 per barrel at 0034 GMT. Brent crude futures, the international benchmark for oil prices, were yet to trade. Traders said the slight increase in U.S. prices came after Saudi Arabia, the world's biggest exporter of crude oil, said it would adhere strictly to its commitment to cut output under the global agreement among oil producers including the Organization of the Petroleum Exporting Countries and Russia. "Many countries are actually going the extra mile and cutting beyond what they've committed ... I am confident about the impact ... and I am very encouraged about those first two weeks," Saudi Energy Minister Khalid al-Falih said late on Monday at an industry event in Abu Dhabi. the agreement, OPEC, Russia, and other non-OPEC producers have pledged to cut oil output by nearly 1.8 million barrels per day , initially for six months, in order to bring supplies back in line with consumption. Despite this, crude prices have fallen almost 5 percent since their early January peaks, as financial oil traders remain sceptical about OPEC's and Russia's willingness to fully comply with the cuts. also said that steps to prop up oil prices through a cut in supplies could be self-defeating. AB Bernstein said on Tuesday that the production cuts, and resulting higher prices, would likely hit oil demand.

"For each $10 per barrel increase in oil prices, oil demand will decline by 10 basis points. While consensus expects demand growth of 1.3 million bpd in 2017 (vs 1.4 million bpd in 2016), we see risks to the downside as demand growth in China and India starts to moderate," Bernstein said.

Oil prices settled up on Monday, as Saudi Arabia's commitments to reducing production offset a report forecasting U.S. output would again rise this year. The Organization of the Petroleum Exporting Countries has agreed to cut production by 1.2 million barrels per day to 32.5 million bpd from Jan. 1 in an attempt to clear a global oversupply that has depressed prices for more than two years. Russia and other key exporters outside OPEC have said they will also cut output. Energy Minister Khalid al-Falih said on Monday the country will adhere strictly to its output reduction commitment, expressing confidence that OPEC's plan to prop up prices would work. Benchmark Brent crude oil LCOc1 was up 41 cents a barrel, or 0.7 percent, at $ 55.86 and U.S. West Texas Intermediate crude CLc1 rose 27 cents, or 0.5 percent, to $ 52.64 a barrel. But expectations of rising oil output in the United States as well as the U.S. federal holiday on Monday capped price gains. Goldman Sachs said it expects year-on-year U.S. oil production to rise by 235,000 bpd in 2017, taking into account wells that have been drilled and are likely to start producing in the first half of the year. U.S. oil output is now at 8.95 million bpd, up from less than 8.5 million bpd in June last year and generally at levels in 2014, when overproduction sent the market into a tailspin. Falih's words were also not entirely positive. While committing to the cuts, he had also said producers are unlikely to extend their agreement to cut oil output beyond six months, especially if global inventories fall to the five-year average. "We don't think it's necessary given the level of compliance," Falih said at an industry event in Abu Dhabi. "My expectations (are) ... that the rebalancing that started slowly in 2016 will have its full impact by the first half." have doubted that OPEC and its allies can trim output enough to push up prices. Russian oil and gas condensate production averaged 11.1 million bpd for Jan. 1-15, two energy industry sources said on Monday, down only 100,000 bpd from December. Russia has committed to a 300,000-bpd cut during the first half of 2017. "Cuts by OPEC and non-OPEC countries have just started and it will take some time for them to filter through. "We do not really expect the oil price to strengthen much more in the first quarter of 2017."

BASE METAL'S OUTLOOK :

BASE METAL GUIDE -

Trading Ideas:

➢ Nickel trading range for the day is 641-687.

➢ Nickel dropped as LME nickel ended 2.3% lower amid expectations of higher supplies and rising stocks in LME approved warehouses.

➢ Global nickel market ended in deficit of 84,600 tonnes in January-November 2016 with apparent demand exceeding production.

➢ Mine production in the Philippines was steady at 24,700 tonnes, the same as in October after nearly halving from 47,300 tonnes in September.

✍ ALUMINIUM

➢ Aluminium trading range for the day is 122.4-128.4.

➢ Aluminium prices ended with gains on talk that China might have to cut smelting capacity because of environmental concerns.

➢ Inventories of aluminium inched slightly lower to 2.3 million tonnes but are up nearly 10 percent over the last month.

➢ WBMS indicates that global primary aluminum market has recorded a marginal deficit during the initial eleven months of 2016.

✍ ZINC

- Zinc trading range for the day is 182.4-190.4.
- Zinc prices recovered from lows as the market was waiting to hear more on Donald Trump's plans for the U.S. economy
- As per WBMS data, the global zinc market recorded deficit of 190 kt during the initial eleven months of the previous year.
- Combined zinc inventories in Shanghai, Tianjin and Guangdong added 13,400 to 229,800 tonnes this past week.

✍ NICKEL

Nickel prices moved up by Rs 3 to Rs 701.60 per kg in futures market after speculators widened positions, tracking a firming trend in spot market on increased demand from alloy-makers. At the Multi Commodity Exchange, nickel for delivery in January 2017 gained Rs 3, or 0.43 per cent, to Rs 701.60 per kg in business turnover of 38 lots. In a similar manner, the metal for delivery in current month rose by Rs 2.60, or 0.38 per cent, to Rs. 694.80 per kg in 259 lots. Market analysts said apart from increased domestic demand from alloy-makers and other consuming industries,covering-up of short positions by speculators ahead of monthly expiry, influenced nickel futures here.

✍ LEAD

Lead futures traded higher by 0.73 per cent to Rs 138.65 per kg as participants built up fresh positions, supported by a firm trend at the domestic spot markets on increased demand from domestic battery-makers. In futures trading at Multi Commodity Exchange, lead for delivery in January 2017 traded higher by Re 1, or 0.73 per cent, at Rs 138.65 per kg, with a turnover of one lots. Metal for delivery in December also rose by 55 paise, or 0.40 per cent to trade at Rs 138.20 per kg in 127 lots. Marketmen said rising demand in the domestic spot markets from domestic battery-makers mainly supported the upside in lead futures here but absence of cues from global markets capped the gains.

✍ NICKEL

Nickel prices dropped 2.12 per cent to Rs 691 per kg in futures trade on Monday as traders cut down their bets. At Multi Commodity Exchange, nickel for delivery for current month was trading Rs 15, or 2.12 per cent, down at Rs 691 per kg in a business turnover of 1,723 lots. The metal for delivery in January next year too fell by a similar margin to trade at Rs 696.70 per kg in a turnover of 197 lots. Analysts said the fall in nickel prices in futures trade is mostly attributed to a weakening trend in base metals at the domestic spot markets due to slackened demand from consuming industries, particularly alloy-makers.

✍ LEAD

Continuing its losing streak for the fifth straight day, lead prices drifted further down by 0.63 per cent to Rs 143 per kg in futures market as participants engaged in reducing their positions amid low demand from consuming industries at spot market. At the Multi Commodity Exchange, lead for delivery in December month fell 90 paise, or 0.63 per cent to Rs 143 per kg in business turnover of 139 lots. Likewise, the metal for delivery in January contracts traded lower by 65 paise, or 0.45 per cent to Rs 143.90 per kg in 1 lot. Analysts said that cutting down of positions by traders due to sluggish demand from battery-makers at the domestic spot markets, mainly kept lead prices lower at futures trade.

LME base metals traded lower last week except copper which rose by around 1.2 percent as thin volumes in the last trading week coupled with expectations of stronger DX hurt prices. MCX base metals traded lower yesterday in line with international trends.

✍ COPPER

Last week, LME Copper prices rose by 1.2 percent as decline in LME inventories for the sixth day in a row pulled the stocks down by around 4 percent to 328,350 tonnes. The US consumer confidence index climbed to 113.7 in December, up from 109.4 in November and the highest since it reached 114 in August 2001.In a major development, City and regional governments last Friday shut thousands of plants in China’s Hebei province that surrounds Beijing to Shandong southeast of the capital, to combat smog. MCX copper prices traded higher by 1 percent to close at Rs.376.8 per kg.

NCDEX - WEEKLY MARKET REVIEW

✍ SOYBEAN

Indian soyaoil and soybean futures fell on Friday, tracking overseas markets. The February soyoil contract NSOG7 on the National Commodity & Derivatives Exchange Ltd was down 1.1 percent at 717.20 rupees ($10.52) per 10 kg as of 1215 GMT, while soybean NSBG7 closed 1.2 percent lower at 3,122 rupees.

The May soybean oil contract on the Dalian Commodity Exchange DBYcv1 was down 0.4 percent, while Chicago soybeans slid for a second session due to a strong dollar. February corn futures NMZFG7 were up 1.1 percent at 1,463 rupees in heavy trading, while the wheat contract NWTG7 settled marginally higher at 1,860 rupees per 100 kg. The most actively traded rapeseed contract NRSJ7 closed 0.3 percent lower at

3,925 rupees per 100 kg in heavy trading.

✍ PALM OIL

Malaysian palm oil futures declined nearly 1 percent on Friday, charting a third day of losses, as its spread with rival oilseed soy narrowed and on weaker related oils on China's Dalian Commodity Exchange, said traders. The market fell despite bullish export data from cargo surveyors on Friday, which showed a 17-20 percent rise in palm shipments from Malaysia between Jan. 1-20 versus the previous month. Benchmark palm oil futures for April delivery 1FCPOc3 on the Bursa Malaysia Derivatives Exchange fell 1 percent at 3,101 ringgit ($698) a tonne at the end of the trading day. It earlier fell to 3,095 ringgit, palm's lowest level since Jan. 16. Traded volumes stood at 33,124 lots of 25 tonnes each on Friday evening. "The spread between palm and soyoil is very narrow now, unless there is a strong movement in soyoil, palm will find it hard to go up," said a futures trader from Kuala Lumpur. "Soyoil holds the key right now." The March soybean oil contract BOH7 on the CBOT is down 0.1 percent at 35.4 cents per pound, or about $780 a tonne.Another trader added that palm was also tracking weaker performing related oils on Dalian. The May soybean oil contract on the Dalian Commodity Exchange DBYcv1 was down 0.4 percent, while the May contract for Dalian palm olein DCPcv1 also fell 0.4 percent. Palm prices are usually impacted by the movements of related edible oils as they compete for a share in the global vegetable oils market.

✍ SOYBEAN

Nagpur Soybean, Soyoil, Soymeal Open-January 20 Nagpur, Jan 20 (Reuters) - Coconut KP oil prices today flared up in Vidarbha region of Western Maharashtra on increased offtake by vanaspati millers amid a firming trend in producing regions. Buying activity in this oil picked up looking toward festival season. Healthy rise in Madhya Pradesh coconut oil also pushed up prices, sources said Friday.

✍ SUGAR

Raw sugar prices on ICE fell sharply from a two-month high in heavy volume on Thursday, spurred by selling of the March/May spread and a flurry of technical sell signals, forming a potentially bearish flag on the charts. New York cocoa futures slid as a strong dollar and ample supplies offset stronger-than-expected Asian grind data. Coffee prices firmed, bucking the session's weak trend in larger commodity markets as supply concerns lifted robusta prices for the fifth straight session, taking it to the highest in more than 4-1/2 years. March raw sugar SBc1 settled down 0.8 cent, or 3.8 percent, at 20.18 cents per lb, its steepest one-day tumble in more than six months with volume at an exceptionally heavy 103,474 lots.

The following factors are likely to influence Malaysian palm oil futures and other vegetable oil markets.

FUNDAMENTALS

- Malaysian palm oil futures fell on Wednesday evening on a strengthening ringgit MYR= and forecasts of higher production.

- U.S. soybean futures rose on Wednesday for a fourth straight session, notching a six-month high on worries that recent heavy rains could damage crops in Argentina.

- Oil prices fell on Wednesday to their lowest in a week, on a strong dollar and expectations that U.S. producers would boost output even as OPEC's output fell from a record high. O/R

MARKET NEWS

Oil prices fell on Wednesday to their lowest in a week, on a strong dollar and expectations that U.S. producers would boost output even as OPEC's output fell from a record high.

Malaysian palm oil futures fell on Wednesday evening on a strengthening ringgit MYR= and forecasts of higher production. The ringgit, in which palm is traded, gained 0.4 percent against the dollar to 4.4430, its highest in more than a month. A stronger ringgit makes palm oil more expensive for holders of foreign currencies. Benchmark palm oil futures for April delivery 1FCPOc3 on the Bursa Malaysia Derivatives Exchange had declined 0.3 percent to 3,150 ringgit ($709) a tonne by the end of the trading day. Traded volumes stood at 44,012 lots of 25 tonnes each on Wednesday evening.

The market is down primarily due to the stronger ringgit, and also on production that had been picking up slightly, said a trader from Kuala Lumpur. "Production will start picking up from February-March. We expect it to rise after the Chinese New Year in a better way, and then we'll see a fall in prices," he said. The Lunar New Year celebrations in China begin on Jan. 28.

Supplies have declined in recent months on low output due to the effects of a crop-damaging El Nino weather phenomenon.Production in Malaysia, the world's second largest producer after Indonesia, fell 6.4 percent in December from the previous month to a seven-month low. MYPOMP-CPOTT

Industry players, however, forecast a rebound in the second and the third quarter of 2017, as the lingering drought effects of El Nino wear off and crops recover.

✍ WHEAT

India may see a bumper wheat harvest this year as higher planting, cold waves in the past two weeks and a forecast for more rainfall and chilly weather have boosted crop prospects after worries that a moderate winter would hit yields. “Across the country, wheat crop is progressing well. We are expecting yields to increase and production can easily cross 95 million tonnes,“ said Trilochan Mohapatra, secretary at

Department of Agricultural Research and Education. India received a bumper crop in 2013-14 at 95.85 million tonnes, but two years of unfavourable weather hurt production. India, the world's second largest wheat grower after China, produced 93.50 million tonnes on 29.25 million hectares in 2015-16.

The area under cultivation jumped to 31.31 million hectare this year till Jan 20. The normal area under wheat planting (five-year average) is 30.41 million hectare. “The harvest will probably jump from the previous year and cross 95 million tonnes,“ said Rajnikant Rai, chief operating officer of agriculture business at ITC Ltd, one of the biggest wheat buyers. “According to our internal survey, the wheat crop is perfectly alright with a good winter season. The crop is developing well across all major wheat belts from Madhya Pradesh, Punjab, Haryana to UP.“

✍ CHANA

Yellow peas are fast replacing chana dal in the Indian platter. Import of yellow peas – the cheapest pulse, is up 60% at 23.4 lakh tonnes. Chana dal was always the common man’s dal but in Delhi’s retail market, it is selling at Rs 185-225 a kg, three times the price of yellow peas which is Rs 60-65 a kg. “Yellow peas is replacing chana dal as its equally nutritious and prices are one third of chana. It is gaining in popularity with imports coming from Ukraine, France, Russia and Canada,” said Pravin Dongre, chairman, Indian Pulses and Grain Association. Dongre said that if the trend continues, seasonal dal crisis may be a thing of the past as people seamlessly move to other dal options when one is in short supply. Industry estimates that from April to December 40.8 lakh tonnes of pulses were imported, up from 38 lakh tonnes in 2015. Of this, yellow peas import was 23.4 lakh tonnes compared to 14.8 lakh tonnes in 2015. The industry expects imports of 1lakh tonnes of yellow peas till March 2017. Import of chana from Australia is expected to be

✍ SUGAR

With sugar prices crossing the government's comfort of Rs 40kg in the wholesale level market, the food ministry has expressed its concern to the industry and warned that it will not hesitate to take steps to rein in rates. The government at the highest level is concerned about the sudden increase in sugar prices over the past 8 to 10 days,“ the food ministry informed the sugar industry. The industry should not be under the notion that the government cannot intervene due to elections in certain states, the government said. “The government thinks that the recent increase in sugar prices is unnecessary and is more due to speculation,“ stated a letter issued by the Indian Sugar Mills Association to its members. Isma has cautioned members not to get caught in the speculation in the market and to be “patient and reasonable“. T Sarita Reddy, president of Isma, said that though sugar prices have gone up, the cost of production has also increased drastically. However, Reddy said, “If the government decides to import sugar, it will send prices crashing down and cane payment to farmers will suffer.“

✍ NCDEX

Though NCDEX has increased the special cash margin on sugar on buyers by 20% amid rising sugar prices, analysts still recommend clients to go long, believing that fundamentals are at play behind the price rise. As traders bet on a rising sugar prices, commodity exchange NCDEX has increased cash margin on sugar on all running and to-be launched contracts from Monday. The foremost agri bourse has increased special cash margin on buyers by 20% to 45%. A 5% additional margin already exists taking the total to 50%. Along with an initial margin of 5% the total margin to trade is 55%. The measure has been taken to curb market exuberance, according to an NCDEX offical.

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