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Crude oil prices to continue positive move  
Silver prices are likely to trade firm

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**CRUDE OIL PRICES TO CONTINUE POSITIVE MOVE**

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- Positive economic data from the US and China are likely to support energy demand and is bullish for crude oil prices. WTI crude oil prices are trading above \$63.21 sharply higher from the recent low of \$57.25 registered on March 23. However, demand concern due to the rapidly expanding deadly coronavirus pandemic is likely to limit the gains. The Global pandemic is leading to extended lockdowns that are likely to curb economic activity and fuel demand.
- Crude oil prices found additional support on strong Chinese data and better-than-expected US housing data. US Mar housing starts rose +19.4% m/m to a 14-3/4 year high of 1.739 million, against expectations of 1.613 million. Also, Mar building permits rose +2.7% m/m to 1.766 million, stronger than expectations of 1.750 million. China's Q1 GDP expanded by a record +18.3% y/y (data from 1978), also, China's Mar crude processing rose +20% y/y to 14.14 million BPD. China Mar industrial production rose +14.1%y/y, the largest increase in 9-3/4 years. In addition, China Mar retail sales rose a record +34.2% y/y (data from 1995), stronger than expectations of +28.0% y/y. Positive economic data from China and the US are supportive of energy demand and Crude oil prices.
- Also, the IEA on Wednesday boosted its 2021 global oil demand forecast by +230,000 BPD to 5.7 million BPD.
- However, coronavirus is rapidly expanding globally despite vaccination drive and likely to limit gains in crude oil. The overall global Covid-19 caseload has topped 141.1 million, while the deaths have surged to more than 3.01 million, according to the Johns Hopkins University
- However, US crude oil inventories as of April 9 were +1.6% above the seasonal 5-year average, gasoline inventories were -2.4% below the 5-year average, and distillate inventories were +3.4% above the 5-year average.
- Baker Hughes reported on Friday that active US oil rigs rose by +7 in the week ended April 16 to an 11-1/2 month high of 344 rigs.
- According to the CFTC Commitments of Traders report for the week ended April 13, net long for crude oil futures plunged by 19,047 contracts to 492,678 for the week. Speculative long positions dropped by 5,430 contracts, while shorts rose by 13,617 contracts.

**Outlook**

- Crude oil prices are likely to trade firm while above the key support level of 20 days EMA at \$61.46 and 50 days EMA of \$59.92, meanwhile, it may face stiff resistance around \$64.78 and \$67.10

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**SILVER PRICES ARE LIKELY TO TRADE FIRM**

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- Silver prices corrected marginally after testing a high of \$26.38 on Friday and are now trading near \$26.12. Dollar weakness along with correction in US bond yields from recent high is likely to support precious metals. The dollar index is currently trading at 91.43 below four weeks low and

much lower from a recent high of 93.47 registered on March 31. US 10 year Bond yield also continued a negative trend on Monday. US 10 year Bond yield is now trading at 1.5571 which is sharply lower from a recent high of 1.7760 registered on March 30.

- Silver prices found additional support on strong Chinese data and better-than-expected US housing data. US Mar housing starts rose +19.4% m/m to a 14-3/4 year high of 1.739 million, against expectations of 1.613 million. Also, Mar building permits rose +2.7% m/m to 1.766 million, stronger than expectations of 1.750 million. China's Q1 GDP expanded by a record +18.3% y/y (data from 1978). Also, China Mar industrial production rose +14.1%y/y, the largest increase in 9-3/4 years. In addition, China Mar retail sales rose a record +34.2% y/y (data from 1995), stronger than expectations of +28.0% y/y. Positive economic data from China and the US are supportive of industrial metals demand and silver.
- Precious metals are also trading higher following the dovish comments from global central banks. Fed Governor Waller said the U.S. economy is poised to "rip" in the coming months but still has a long way to go, and there's "no reason to pull the plug on economic support until we're really through this."
- According to the CFTC Commitments of Traders report for the week ended April 13, net long for crude oil futures jumped by 4,109 contracts to 36,424 for the week. Speculative long position increased by 2,184 contracts, while shorts dropped by 1,925 contracts.

## Outlook

- Silver prices are likely to trade firm while above key support level of 20 days EMA of \$25.54 and 200 days EMA of \$24.80. However, it may face immediate resistance level around \$26.76 and \$27.42

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