

COMMODITY

Report

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SHRIRAM INSIGHT SHARE BROKERS LIMITED

Enquiry : +91 33 2359 4612, +91 33 2359 4614, +91 33 2358 1953,
E-mail : research@shriraminsight.com

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ABOUT THE COMMODITY



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ECONOMIC / GLOBAL NEWS

- Gold futures settled sharply lower as the dollar gained to start a new quarter of trading, keeping precious metals prices pinned at 2018 lows. August gold lost \$12.80, or 1%, to settle at \$1,241.70 an ounce. September silver down 2.2% at \$15.835 an ounce, marking the lowest finish since mid-December. MCX Gold August expiry closed at Rs. 30289 per 10 gram, down 0.47% while September Silver closed at Rs. 39396 per kg, down 1.32%.
- U.S. seasonally adjusted IHS Markit final manufacturing PMI registered 55.4 in June, down from 56.4 in May.
- U.S. ISM said its manufacturing purchasing managers' index climbed to 60.2 in June after rising to 58.7 in May.
- U.K. IHS Markit/ CIPS factory PMI rose slightly to 54.4 in June from revised 54.3 in May.
- Eurozone unemployment rate remained unchanged at 8.4% in May, the lowest since December 2008. The number of people out of work decreased by 125,000 from the previous month to 13.656 million in May.
- Eurozone factory PMI fell to an 18-month low of 54.9 in June from 55.5 in May.
- Germany's headline IHS Markit/BME PMI fell to an 18-month low of 55.9 in June, in line with flash estimate, from 56.9 in May.
- France's manufacturing PMI came in at 52.5 in June, down from the flash 53.1 and below May's 54.4.
- Italy's seasonally adjusted jobless rate dropped to 10.7% in May from 11.0% in the previous month. The number of unemployed declined by 2.9% on month to 2.79 million in May.
- Italy's IHS Markit manufacturing PMI rose to 53.3 in June from 52.7 in May.
- Spain's IHS Markit manufacturing PMI came in at 53.4 in June, the same reading as in May.
- Australia's central bank decided to leave its key interest rate unchanged at a record low, the board of the Reserve Bank of Australia voted to maintain the cash rate at 1.50%. The bank had reduced the rate by 25-basis points each in August and May last year.
- South Korea's consumer price inflation climbed 1.5% year-over-year in June, the same rate of increase as in May. On a monthly basis, consumer prices edged down 0.2% from May, when it increased by 0.1%.
- India's infrastructure sector slowed to a 10-month low in May, the Index of Eight Core Industries grew 3.6% in May compared with 4.6% in April and 3.9% a year earlier. For April-May, the index recorded a growth of 4.1% as against 3.3% in the same period last year.
- India's Nikkei manufacturing PMI climbed to 53.1 in June from 51.2 in May.

INDEX	02-JULY-18	29-JUNE-18	PTS. CH.	% CHANGE
Dow	24305.37	24271.41	33.96	0.14
Nifty	10657.30	10714.30	-57.00	-0.53
Sensex	35264.41	35423.48	-159.07	-0.45
USD/INR	68.80	68.47	0.33	0.48
Dollar Index	94.60	94.35	0.25	0.26
Euro/\$1US	1.1642	1.1685	-0.0043	-0.37
\$1US/¥en	110.88	110.68	0.20	0.18
Pound/\$1US	1.3142	1.3209	-0.0067	-0.51

MARKET UPDATE

- U.S. stocks kicked off the third quarter on a positive note, with the main indexes reversing early losses to finish higher on the back of a rally in technology shares. However, worries over trade tensions between the U.S. and its major trading partners lingered, weighing on investors' sentiment. The S&P 500 gained 8.34 points, or 0.3%, to 2,726.71 and the Nasdaq Composite Index climbed 57.38 points, or 0.8%, to 7,567.69.
- Indian market staged a pullback in second half of the day's trading session, which helped the key benchmark indices cut steep intraday losses triggered by weak global cues

CURRENCY UPDATE

The big currency stories were Mexico's election, which saw leftist front-runner Andrés Manuel López Obrador win the presidency, and Germany's leadership spat over immigration. Both scenarios harbor some uncertainty for the countries' respective futures and has weighed on markets. The ICE U.S. Dollar Index bounced 0.3% higher to 94.955. The conflict weighed on the euro, which dropped to \$1.1620 from \$1.1683 late Friday in New York.

The battered rupee suffered yet another blow by plunging 33 paise to end at a near five-year low of 68.80 against the buoyant US dollar. With very little chance of RBI intervention, panic dollar demand from importers and speculative traders sent the home currency sinking to a low of 68.81 in late afternoon deals. Although the initial gains had been short-lived. It touched a high of 68.33 in morning deals. At the interbank foreign exchange (forex) market, the Indian unit resumed a tad lower at 68.48 against weekend's close of 68.46 on mild dollar selling by banks and exporters. Tracking the unfavourable situation surrounding the overall forex sentiment, the local unit plunged to an intra-day low 68.81 towards the fag-end trade before closing at 68.80, revealing a steep loss of 33 paise, or 0.48%. The RBI fixed the reference rate for the dollar at 68.6227.

BULLION	CLOSING		% CH
	02-JULY-18	29-JUNE-18	
Gold Aug MCX	30289	30432	-0.47
Gold Aug Comex	1242	1255	-1.02
Silver Sep MCX	39396	39921	-1.32
Silver Sep Comex	15.835	16.198	-2.24
ENERGY			
Crude Oil Jul MCX	5109	5086	0.45
Crude Aug Nymex	73.94	74.15	-0.28
Natural Gas Jul MCX	197.30	200.80	-1.74
Nat. Gas Aug Henry Hub	2.862	2.924	-2.12

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	02-JULY-18	29-JUNE-18	
SPDR Gold ETF	809.31	819.04	-1.19
iShares Silver Trust	10029.81	10029.81	0.00

NAME OF THE ETF	CLOSING		RATIO
	02-JULY-18		
Gold v/s Silver	1242	15.835	78.41
Gold v/s Crude Oil	1242	73.94	16.79

(IN TONS)	LME INVENTORIES DATA			% Change
	02-JULY-18	29-JUNE-18	Change	
Aluminum	1107400	1114125	-6725	-0.60
Copper	289875	294525	-4650	-1.58
Nickel	271806	272616	-810	-0.30
Lead	131775	131625	150	0.11
Zinc	249250	249300	-50	-0.02

BASE METALS	CLOSING		% CH
	02-JULY-18	29-JUNE-18	
Aluminium Jul	146.05	146.75	-0.48
Copper Aug	450.75	452.30	-0.34
Nickel Jul	1001.60	1023.40	-2.13
Lead Jul	164.75	165.55	-0.48
Zinc Jul	196.35	198.00	-0.83

ECONOMIC CALENDER

TUESDAY JULY 03, 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
10:00 AM	Australia	RBA Interest Rate Decision (Jul)	1.50%	1.50%	1.50%
10:00 AM	Australia	RBA Rate Statement			
2:00 PM	U.K.	Construction PMI (Jun)		52.5	52.5
2:30 PM	Eurozone	PPI (YoY) (May)		2.4%	2.0%
2:30 PM	Eurozone	PPI (MoM) (May)		0.4%	0.0%
2:30 PM	Eurozone	Retail Sales (YoY) (May)		1.5%	1.7%
2:30 PM	Eurozone	Retail Sales (MoM) (May)		0.1%	0.1%
7:30 PM	U.S.	Durable Goods Orders (MoM)			-0.6%
7:30 PM	U.S.	Factory Orders (MoM) (May)		0.1%	-0.8%

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