

COMMODITY

Report

03 September 2018



SHRIRAM INSIGHT SHARE BROKERS LIMITED

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

EVERYTHING YOU
NEED TO KNOW
ABOUT THE COMMODITY



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

ECONOMIC / GLOBAL NEWS

- Natural gas prices increased. Warmer than normal weather is expected to cover most of the United States for the next 6-10 and 8-14 days which should generated additional cooling demand. October natural gas added 1.46% to \$2.916 per million British thermal units. MCX Natural Gas September expiry closed at Rs. 206.90 per british thermal unit, up 0.98%.
- China seasonally adjusted Caixin manufacturing PMI posted above the neutral 50.0 level at 50.6 in August. However, this was down from 50.8 in July.
- U.S. Michigan's consumer confidence index was revised up to 96.2 in August from 95.3 in July.
- U.S. MNI Indicators said its Chicago business barometer dipped to 63.6 from a revised 65.5 in July.
- Eurozone inflation eased to 2% from 2.1% in July. Core inflation slowed marginally to 1% in August from 1.1% a month ago.
- Eurozone jobless rate stood at 8.2%, the same rate as seen in June, down from 9.1% in July 2017.
- Germany's retail sales rose 0.8% year-on-year in July, slower than the 2.7% increase in June. On a monthly basis, retail turnover declined by more-than-expected 0.4%, reversing June's 0.9% rebound.
- France's consumer price inflation came in at 2.3%, the same rate as registered in July. Month-on-month, consumer prices rebounded 0.5%, following a 0.1% drop in July.
- France's producer prices climbed 0.6% on month in July after rising 0.1% in June. Year-on-year, producer prices advanced 4%.
- Australia's retail sales arrived at 0.0% month-on-month in July, compared to previous month's reading of 0.4%.
- Japan Markit/Nikkei manufacturing PMI rose to a seasonally adjusted 52.5 in August from a final 52.3 in July.
- India's gross domestic product grew 8.2% year-on-year in the June quarter compared to 5.6% expansion in the same period of last year.
- India's Ministry of Commerce and Industry reported that combined output of eight core industries grew 6.6% in July from last year, following June's 7.6% expansion. Cumulative growth for April to July came in at 5.8%.

INDEX	31-AUG-18	30-AUG-18	PTS. CH.	% CHANGE
Dow	25964.82	25986.92	-22.10	-0.09
Nifty	11680.50	11676.80	3.70	0.03
Sensex	38645.07	38690.10	-45.03	-0.12
USD/INR	70.99	70.73	0.26	0.37
Dollar Index	95.08	94.68	0.40	0.42
Euro/\$1US	1.1601	1.1671	-0.0070	-0.60
\$1US/¥en	111.04	110.98	0.06	0.05
Pound/\$1US	1.2963	1.3010	-0.0047	-0.36

MARKET UPDATE

- U.S. stocks finished mostly higher, with the major benchmarks posting strong weekly gains and a strong finish in August. Meanwhile, the S&P 500 index closed the day virtually flat, with a gain of less than a point to 2,901.52, while the Nasdaq Composite Index rose 21.17 points, or 0.3%, to close at 8,109.54.
- Indian snapped fell slightly as trade war worries resurfaced and investors waited for Q1 GDP data release later in the day for directional cues.

CURRENCY UPDATE

- The Turkish lira took back some lost ground and the Argentine peso stabilized a day after a rout that is kept emerging-markets concerns front and center for investors. Meanwhile, a closely watched dollar index clung to a modest monthly gain on the last day of August. The ICE U.S. Dollar Index traded at 94.860, up slightly from 94.739. The euro changed hands at \$1.1637 versus \$1.1669 late Thursday, while the dollar slipped against the Japanese yen to ¥110.87 from ¥111.94.
- Rupee weakened further to hit a record low as persistent demand for dollar from importers and spike in global oil prices impacted sentiments. After opening the day at 70.95 a dollar, the rupee hit the psychological 71 level mark against the dollar in the intra day trade. While the local currency pared some of its early losses to hit an intra-day high of 70.85, heavy demand for dollar amidst expectation of further slide led to rupee closing the session at 71 a dollar compared to its previous sessions close of 70.73.

BULLION	CLOSING		% CH
	31-AUG-18	30-AUG-18	
Gold Oct MCX	30129	30170	-0.14
Gold Dec Comex	1207	1205	0.14
Silver Dec MCX	37482	37689	-0.55
Silver Sep Comex	14.557	14.594	-0.25
ENERGY			
Crude Oil Sep MCX	4959	4999	-0.80
Crude Oct Nymex	69.80	70.25	-0.64
Natural Gas sep MCX	206.90	205	0.98
Nat. Gas Oct Henry Hub	2.916	2.874	1.46

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	31-AUG-18	30-AUG-18	
SPDR Gold ETF	755.16	757.81	-0.35
iShares Silver Trust	10259.67	10259.67	0.00

NAME OF THE ETF	CLOSING		RATIO
	31-AUG-18		
Gold v/s Silver	1207	14.557	82.89
Gold v/s Crude Oil	1207	69.80	17.29

(IN TONS)	LME INVENTORIES DATA			% Change
	31-AUG-18	30-AUG-18	Change	
Aluminum	1070750	1073050	-2300	-0.21
Copper	238782	266450	-27668	-10.38
Nickel	264925	240678	24247	10.07
Lead	126150	126225	-75	-0.06
Zinc	241575	243825	-2250	-0.92

BASE METALS	CLOSING		% CH
	31-AUG-18	30-AUG-18	
Aluminium Sep	150.10	151.20	-0.73
Copper Nov	423.80	431.65	-1.82
Nickel Sep	909.30	944.00	-3.68
Lead Sep	147.55	147.15	0.27
Zinc Sep	176.10	175.95	0.09

ECONOMIC CALENDER

MONDAY SEPTEMBER 03 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
6:00 AM	Japan	Manufacturing PMI (Aug)	52.5	52.5	52.5
7:00 AM	Australia	Retail Sales (MoM) (Jul)	0.0%	0.3%	0.4%
7:15 AM	China	Caixin Manufacturing PMI (Aug)	50.6	50.7	50.8
10:30 AM	India	Nikkei Markit Manufacturing PMI (Aug)		52.8	52.3
1:20 PM	France	French Manufacturing PMI (Aug)		53.7	53.7
1:25 PM	Germany	German Manufacturing PMI (Aug)		56.1	56.1
1:30 PM	Eurozone	Manufacturing PMI (Aug)		54.6	54.6
2:00 PM	U.K.	Manufacturing PMI (Aug)		53.9	54.0
Tentative	U.S.	OPEC Meeting			

DISCLAIMER

This document has been prepared by Shriram Insight Share Brokers Ltd. and is meant for sole use by the recipient and not for circulation. This document is not to be reported or copied or made available to others. The information contained herein is from sources believed reliable. It should not be considered to be taken as an offer to sell or a solicitation to buy any security or as an official confirmation of any transaction. We do not represent that it is accurate or complete and it should not be relied upon as such. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The investments discussed or recommended in this report may not be suitable for all investors. Shriram Insight Share Brokers Ltd stock Recommendation Service is a general recommendation service and is not to be construed as an individual investor specific Portfolio Management and Advisory Service.

The user assumes the entire risk of any use made of this information. Each recipient of this document should arrive at an independent evaluation of an investment in the securities of companies referred to in this document and should consult its own advisors to determine the merits and risks of such an investment.

Shriram Insight Share Brokers Ltd shall not be responsible for any loss or liability incurred to the user as a consequence of his or any other person on his behalf taking any investment decisions based on the information, recommendations, research reports, analysis, quotes, etc. provided on the web site

Shriram Insight Share Brokers Ltd and its affiliated company (ies), their directors and employees may;

- (a) from time to time, having a long or short position in, and buy or sell the securities of the company (ies) recommended.
- (b) be engaged in any other transaction involving such securities and act as a market maker in the securities of the company (ies) or lender / borrower to such company (ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

Shriram Insight Share Brokers Ltd shall also not be liable for errors, omissions or typographical errors, disruption delay, interruption, failure, deletion or defect of/in the Service provided by it. All Users of the Service in countries other than India understand that by using the Service, they may be violating the local laws in such countries. If the User chooses