

# COMMODITY

## Report

04 July 2018



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ABOUT THE COMMODITY



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## ECONOMIC / GLOBAL NEWS

- Gold futures finished sharply higher, clawing back from a steady decline that had pushed the commodity early this week to its lowest finish since December, as a brawny dollar paused its advance. August gold rose \$11.80, or nearly 0.95%, to settle at \$1,253.50 an ounce. MCX Gold August expiry closed at Rs. 30493 per 10 gram, up 0.67%.
- China Caixin services sector continued to expand in June, with a PMI score of 53.9, it's up from 52.9 in May.
- U.S. factory orders climbed by 0.4% in May after falling by a revised 0.4% in April.
- The American Petroleum Institute reported that U.S. crude supplies fell by 4.5 million barrels for the week ended June 29. The API data also showed supply declines of roughly 3.1 million barrels in gasoline and 438,000 in distillates.
- U.K. IHS Markit and CIPS construction PMI rose to 53.1 in June from 52.5 in May.
- Eurozone producer price inflation climbed 3.0% year-over-year in May, faster than the 1.9% rise in April. On a monthly basis, producer prices rose 0.8% in May, after remaining flat in the previous month.
- Eurozone retail sales remained unchanged in May, reversing a 0.1% fall logged in April. On a yearly basis, retail sales growth eased to 1.4% in May from 1.6% in the previous month.
- Spain's unemployment decreased by 89,968 in June from the previous month. Compared to previous year, unemployment declined by 200,649. The number of registered unemployed totaled 3.16 million, the lowest since December 2008.
- Australia had a seasonally adjusted merchandise trade surplus of A\$827 million in May, following the downwardly revised A\$472 million surplus in April (originally A\$977 million). Exports were up 4.0% on month to A\$35.562 billion. Imports gained 3.0% to A\$34.735 billion.
- Australia's retail sales were up a seasonally adjusted 0.4% on month in May, coming in at A\$26.673 billion, following the upwardly revised 0.5% gain in April (originally 0.4%).
- Japan Nikkei services sector continued to expand in June, with a PMI score of 51.4. That's up from 51.0 in May.
- Hong Kong's retail sales advanced 12.9% year-over-year in May, faster than the 12.2% spike in March.
- Singapore's Nikkei private sector continued to expand in June, with a PMI score of 56.0. That's down from the series record 56.8 in May.

INDEX	03-JULY-18	02-JULY-18	PTS. CH.	% CHANGE
<b>Dow</b>	24172.87	24307.18	<b>-134.31</b>	<b>-0.55</b>
<b>Nifty</b>	10699.90	10657.30	<b>42.60</b>	<b>0.40</b>
<b>Sensex</b>	35378.60	35264.41	<b>114.19</b>	<b>0.32</b>
<b>USD/INR</b>	68.58	68.80	<b>-0.22</b>	<b>-0.32</b>
<b>Dollar Index</b>	94.32	94.78	<b>-0.46</b>	<b>-0.49</b>
<b>Euro/\$1US</b>	1.1659	1.1641	<b>0.0018</b>	<b>0.15</b>
<b>\$1US/¥en</b>	110.42	110.89	<b>-0.47</b>	<b>-0.42</b>
<b>Pound/\$1US</b>	1.3195	1.3143	<b>0.0052</b>	<b>0.40</b>

## MARKET UPDATE

- U.S. stock-market indexes closed lower, reversing earlier gains as losses in the technology and financials sectors outweighed advances in energy, telecoms and real-estate shares. The S&P 500 ended 13.49 points, or 0.5%, lower to 2,713.22. The Nasdaq Composite Index declined 65.01 points, or 0.9%, to 7,502.67.
- Indian market ended higher on the back of pharma and auto stocks, although rising oil prices and caution ahead of the July 6 deadline for the Trump Administration's planned imposition of tariffs on Chinese imports helped limit the upside.

## CURRENCY UPDATE

Rival currencies to the U.S. dollar strengthened, reversing previous losses as a popular gauge for the greenback slipped ahead of the Fourth of July holiday on Wednesday. The ICE U.S. Dollar index was down 0.5% at 94.606. The euro last bought \$1.1657, versus \$1.1641.

The rupee made a strong comeback against the US currency after taking a hammering yesterday, recouping by a steep 22 paise to end at 68.58 on fresh dollar selling by exporters and corporates. Earlier, extending its bearish stance, the domestic unit resumed lower at 68.91 from the last close of 68.80 at the interbank foreign exchange (forex) market. It hit a low of 68.97 in early deals moving in sync with the weakening of other currencies in the region and also heavily weighed down by steady capital outflows. Reversing early steep losses, the home unit bounced back in late afternoon trade to trade at a session high of 68.56 before ending at 68.58, showing a smart gain of 22 paise, or 0.32%. The RBI fixed the reference rate for the dollar at 68.6935.

BULLION	CLOSING		% CH
	03-JULY-18	02-JULY-18	
<b>Gold Aug MCX</b>	30493	30289	<b>0.67</b>
<b>Gold Aug Comex</b>	1254	1242	<b>0.95</b>
<b>Silver Sep MCX</b>	39710	39396	<b>0.80</b>
<b>Silver Sep Comex</b>	16.043	15.835	<b>1.31</b>
<b>ENERGY</b>			
<b>Crude Oil Jul MCX</b>	5080	5109	<b>-0.57</b>
<b>Crude Aug Nymex</b>	74.14	73.94	<b>0.27</b>
<b>Natural Gas Jul MCX</b>	198.40	197.30	<b>0.56</b>
<b>Nat. Gas Aug Henry Hub</b>	2.870	2.862	<b>0.28</b>

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	03-JULY-18	02-JULY-18	
<b>SPDR Gold ETF</b>	803.42	809.31	<b>-0.73</b>
<b>iShares Silver Trust</b>	10072.40	10029.81	<b>0.42</b>

NAME OF THE ETF	CLOSING		RATIO
	03-JULY-18		
<b>Gold v/s Silver</b>	1254	16.043	<b>78.13</b>
<b>Gold v/s Crude Oil</b>	1254	74.14	<b>16.91</b>

(IN TONS)	LME INVENTORIES DATA			% Change
	03-JULY-18	02-JULY-18	Change	
<b>Aluminum</b>	1108900	1107400	<b>1500</b>	<b>0.14</b>
<b>Copper</b>	286525	289875	<b>-3350</b>	<b>-1.16</b>
<b>Nickel</b>	269898	271806	<b>-1908</b>	<b>-0.70</b>
<b>Lead</b>	131675	131775	<b>-100</b>	<b>-0.08</b>
<b>Zinc</b>	249250	249250	<b>0</b>	<b>0.00</b>

BASE METALS	CLOSING		% CH
	03-JULY-18	02-JULY-18	
<b>Aluminium Jul</b>	144.20	146.05	<b>-1.27</b>
<b>Copper Aug</b>	445.75	450.75	<b>-1.11</b>
<b>Nickel Jul</b>	984.50	1001.60	<b>-1.71</b>
<b>Lead Jul</b>	164.35	164.75	<b>-0.24</b>
<b>Zinc Jul</b>	192.85	196.35	<b>-1.78</b>

## ECONOMIC CALENDER

WEDNESDAY JULY 04, 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
1:00 AM	U.S.	<b>Total Vehicle Sales</b>	<b>17.47M</b>	17.00M	16.91M
2:00 AM	U.S.	<b>API Weekly Crude Oil Stock</b>	<b>-4.500M</b>	-8.239M	-9.228M
7:00 AM	Australia	<b>Exports (MoM) (May)</b>	<b>4%</b>		-2%
7:00 AM	Australia	<b>Imports (MoM) (May)</b>	<b>3%</b>		1%
7:00 AM	Australia	<b>Retail Sales (MoM) (May)</b>	<b>0.4%</b>	0.3%	0.4%
7:00 AM	Australia	<b>Trade Balance (May)</b>	<b>0.827B</b>	1.210B	0.977B
7:15 AM	China	<b>Caixin Services PMI (Jun)</b>	<b>53.9</b>	52.7	52.9
10:30 AM	India	<b>Nikkei Services PMI (Jun)</b>			49.6
1:20 PM	France	<b>French Markit Composite PMI (Jun)</b>		55.6	55.6
1:20 PM	France	<b>French Services PMI (Jun)</b>		56.4	56.4
1:25 PM	Germany	<b>German Composite PMI (Jun)</b>		54.2	54.2
1:25 PM	Germany	<b>German Services PMI (Jun)</b>		53.9	53.9
1:30 PM	Eurozone	<b>Markit Composite PMI (Jun)</b>		54.8	54.8
1:30 PM	Eurozone	<b>Services PMI (Jun)</b>		55.0	55.0
2:00 PM	U.K.	<b>Services PMI (Jun)</b>		53.9	54.0
5:00 PM	India	<b>M3 Money Supply</b>			10.4%

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