

COMMODITY

Report

04 October 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

- Oil futures rallied as reported declines in Iranian exports due to pending U.S. oil sanctions and uncertainty surrounding the ability of other major oil producers to make up for the loss, lifted U.S. and global prices back to nearly four-year highs. November West Texas Intermediate crude, the U.S. benchmark contract, added \$1.18, or 1.57%, to settle at \$76.41 a barrel on the New York Mercantile Exchange. MCX Crude Oil October expiry closed at Rs. 5656 per barrel, up 2.64%.
- U.S. ADP said private sector employment jumped by 230,000 jobs in September after climbing by an upwardly revised 168,000 jobs in August.
- U.S. final seasonally adjusted IHS Markit Composite PMI came at 53.9 in September, dipped from 54.7 in August. The seasonally adjusted final IHS Markit U.S. Services Business Activity Index registered 53.5 in September, down from 54.8 in August.
- U.S. ISM said its non-manufacturing index climbed to 61.6 in September from 58.5 in August.
- The Energy Information Administration reported that domestic crude supplies rose by 8 million barrels for the week ended Sept. 28—the largest weekly climb year to date. Gasoline stockpiles fell by 500,000 barrels last week, while distillate stockpiles declined by 1.8 million barrels, according to the EIA.
- U.K. IHS Markit/CIPS services PMI dropped to 53.9 in September from 54.3 in August. The index was forecast to fall to 54.0.
- Eurozone retail sales decreased 0.2% month-on-month, following a 0.6% drop in July. On a yearly basis, growth in retail trade accelerated to 1.8% from 1% in July.
- Eurozone IHS Markit final composite output index dropped to 54.1 in September from 54.5 in August. The services PMI rose to 54.7, in line with preliminary estimate, from 54.4 a month ago.
- Germany's IHS Markit composite index came in at 55.0 versus 55.6 in August and below the flash estimate of 55.3. The services PMI rose to 55.9 in September from 55.0 in August but down from the flash estimate of 56.5.
- France's IHS Markit composite output index fell to 54.0 in September from 54.9 in August. The flash reading was 53.6. The services PMI dropped to 54.8 in September from 55.4 a month ago, signaling the slowest expansion in output since May. The initial reading was 54.3.
- Australia's trade surplus rose to a seasonally adjusted A\$1.6 billion from A\$1.55 billion in July. Exports of goods and services gained 1% on month to A\$36.56 billion. At the same time, imports remained broadly unchanged in August, at A\$34.96 billion.

INDEX	03-OCT-18	02-OCT-18	PTS. CH.	% CHANGE
Dow	26830.35	26773.94	56.41	0.21
Nifty	10858.25	CLOSED	-	-
Sensex	35975.63	CLOSED	-	-
USD/INR	73.34	CLOSED	-	-
Dollar Index	95.41	95.14	0.27	0.28
Euro/\$1US	1.1477	1.1548	-0.0071	-0.61
\$1US/Yen	114.51	113.67	0.84	0.74
Pound/\$1US	1.2940	1.2979	-0.0039	-0.30

MARKET UPDATE

- The Dow Jones Industrial Average finished at a record for the 15th time this year as investors were cheered by healthy economic data. But the market pared earlier gains, with major indexes closing off intraday highs as bond yields jumped, which could dampen appetite for stocks. The S&P 500 climbed 2.08 points to 2,925.51 and the Nasdaq Composite Index advanced 25.54 points, or 0.3%, to 8,025.09.
- Indian market tumbled, with selling accelerating in late trade as the rupee continued to weaken, oil prices held near four-year highs and turmoil in Italy soured investors' risk appetite.

CURRENCY UPDATE

The euro climbed against other currencies amid signs that Italy may yield ground over a budget dispute with the European Union. However, the shared currency relinquished some of its ground against the U.S. dollar amid strong data that spotlighted U.S. economic health. After reaching an intraday high of \$1.1596 versus the dollar, the shared currency last traded at \$1.1514, lower from \$1.1549. The pullback in the euro has dragged the ICE U.S. Dollar Index was last trading at 95.784, up 0.3%. The British pound succumbed to the dollars strength, last changing hands at \$1.2974 from \$1.2980.

Indian rupee ended at a record closing low of 73.34 per dollar on the back of strong demand for US dollar from importers amid rising global oil prices. It has touched a record low of 73.41 in the morning trade, while it saw some recovery during the day after it opened lower at 73.24 against Monday's close of 72.91 per dollar. The domestic currency ended 43 paise or 0.59% lower at 73.34.

BULLION	CLOSING		% CH
	03-OCT-18	02-OCT-18	
Gold Dec MCX	31363	CLOSED	-
Gold Dec Comex	1203	1207	-0.34
Silver Dec MCX	39092	CLOSED	-
Silver Dec Comex	14.670	14.693	-0.16
ENERGY			
Crude Oil Oct MCX	5646	CLOSED	-
Crude Nov Nymex	76.41	75.23	1.57
Natural Gas Oct MCX	238.50	CLOSED	-
Nat. Gas Nov Henry Hub	3.230	3.166	2.02

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	03-OCT-18	02-OCT-18	
SPDR Gold ETF	731.64	737.82	-0.84
iShares Silver Trust	10413.18	10354.72	0.56

NAME OF THE ETF	CLOSING		RATIO
	03-OCT-18		
Gold v/s Silver	1203	14.670	82.00
Gold v/s Crude Oil	1203	76.41	15.74

(IN TONS)	LME INVENTORIES DATA			% Change
	03-OCT-18	02-OCT-18	Change	
Aluminum	979800	983250	-3450	-0.35
Copper	194175	196600	-2425	-1.23
Nickel	228438	228456	-18	-0.01
Lead	114525	114900	-375	-0.33
Zinc	198575	199325	-750	-0.38

BASE METALS	CLOSING		% CH
	03-OCT-18	02-OCT-18	
Aluminium Oct	165.45	CLOSED	-
Copper Nov	464.70	CLOSED	-
Nickel Oct	952.40	CLOSED	-
Lead Oct	150.15	CLOSED	-
Zinc Oct	199.65	CLOSED	-

ECONOMIC CALENDER

THURSDAY OCTOBER 04 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
7:00 AM	Australia	Exports (MoM) (Aug)	1%		-1%
7:00 AM	Australia	Imports (MoM) (Aug)	0%		-1%
7:00 AM	Australia	Trade Balance (Aug)	1.604B	1.400B	1.551B
10:30 AM	India	Nikkei Services PMI (Sep)			51.5
2:30 PM	India	Cash Reserve Ratio		4.00%	4.00%
2:30 PM	India	Interest Rate Decision		6.75%	6.50%
2:30 PM	India	Reverse REPO Rate		6.50%	6.25%
6:00 PM	U.S.	Continuing Jobless Claims		1,665K	1,661K
6:00 PM	U.S.	Initial Jobless Claims		211K	214K
7:30 PM	U.S.	Factory Orders (MoM) (Aug)		2.1%	-0.8%
8:00 PM	U.S.	Natural Gas Storage		88B	46B

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