

COMMODITY

Report

05 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
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ABOUT THE COMMODITY



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ECONOMIC / GLOBAL NEWS

- Gold futures settled below \$1,200 an ounce for the first time in more than a week. December gold declined \$7.60, or 0.6%, to settle at \$1,199.10 an ounce, after the yellow metal settled at \$1,206.70 an ounce. December silver dropped 37.7 cents, or 2.6%, to \$14.18 an ounce. A primary driver for the decline in both metals has been a steadily advancing U.S. dollar, which can make assets pegged to it more expensive to buyers using other currencies, undercutting the appeal of gold and silver. MCX Gold October expiry closed at Rs. 30178 per 10 gram, down 0.49% while December Silver closed at Rs. 36854 per kg, down 2.05%.
- China Caixin services sector expand in August, with a 10-month low PMI score of 51.5. That was down sharply from 52.8 in July.
- U.S. seasonally adjusted IHS Markit final manufacturing PMI registered 54.7 in August, down from 55.3 in July.
- U.S. ISM said its manufacturing PMI climbed to 61.3 in August from 58.1 in July.
- U.K. IHS Markit/CIPS construction PMI fell notably to 52.9 in August from July's 14-month peak of 55.8.
- Eurozone producer price inflation advanced 4% year-on-year in July, following a 3.6% rise in June. On a monthly basis, producer price inflation held steady at 0.4% in July.
- Spain's unemployment increased sharply in August, the number of unemployed rose by 47,047 from the previous month to 3.18 million in August.
- Australia's gross domestic product expanded a seasonally adjusted 0.9% on quarter in the second quarter of 2018, following the 1.0% gain in the three months prior. On a yearly basis, GDP was up 3.4% - up from 3.1% in the previous three months.
- Japan Nikkei services sector continued to expand in August, with a PMI score of 51.5. That's up from 51.3 in July.
- Hong Kong Nikkei business sector continued to contract in August, with a PMI score of 48.5. That's up from 48.2 in July.
- Singapore Nikkei business sector continued to expand in August, with a PMI score of 51.1. That's down from 53.0 in July.

| INDEX | 04-SEP-18 | 03-SEP-18 | PTS. CH. | % CHANGE |
|---------------------|-----------|-----------|----------------|--------------|
| Dow | 25953.09 | CLOSED | - | - |
| Nifty | 11520.30 | 11582.35 | -62.05 | -0.54 |
| Sensex | 38157.92 | 38312.52 | -154.60 | -0.40 |
| USD/INR | 71.57 | 71.21 | 0.36 | 0.51 |
| Dollar Index | 95.37 | 95.08 | 0.29 | 0.31 |
| Euro/\$1US | 1.1587 | 1.1624 | -0.0037 | -0.32 |
| \$1US/Yen | 111.47 | 111.08 | 0.39 | 0.35 |
| Pound/\$1US | 1.2858 | 1.2872 | -0.0014 | -0.11 |

MARKET UPDATE

- U.S. stocks kicked off September on a weak note, with all major indexes finishing lower, as investors focused on latest developments on the trade front. But the market came off the session's nadir near the end of the trading day. The S&P 500 index shed 4.80 points, or 0.2%, to 2,896.72 and the Nasdaq Composite Index fell 18.29 points, or 0.2%, to 8,091.25.
- Indian market ended notably lower amid a slump in the Indian rupee. Weak cues from Asia and Europe, rising oil prices and SEBI's new rules barring non-resident Indians from controlling foreign funds also weighed on investor sentiment.

CURRENCY UPDATE

- The U.S. dollar climbed higher, as pressure on emerging markets continued, allowing the buck to benefit from haven flows. The ICE U.S. Dollar Index was last up 0.3% at 95.463 but still leaving the dollar's major rival-the euro at a 1½ week low. The shared currency was last down 0.3% at \$1.1577.
- The Indian rupee managed to end at a fresh record low of 71.57 per US dollar, owing to concerns on high crude prices and wariness among FPI investors for KYC norms. On Monday, it had closed at 71.21 per dollar. The currency had staged a recovery to trade positively around 71.19 per dollar range, after hitting a record low of 71.37.

| BULLION | CLOSING | | % CH |
|-------------------------------|-----------|-----------|--------------|
| | 04-SEP-18 | 03-SEP-18 | |
| Gold Oct MCX | 30178 | 30327 | -0.49 |
| Gold Dec Comex | 1199 | CLOSED | - |
| Silver Dec MCX | 36854 | 37624 | -2.05 |
| Silver Dec Comex | 14.180 | CLOSED | - |
| ENERGY | | | |
| Crude Oil Sep MCX | 5012 | 5012 | 0.00 |
| Crude Oct Nymex | 69.87 | CLOSED | - |
| Natural Gas sep MCX | 202.50 | 204 | -0.93 |
| Nat. Gas Oct Henry Hub | 2.823 | CLOSED | - |

| NAME OF THE ETF | HOLDINGS IN TONNES AS ON | | % CH |
|-----------------------------|--------------------------|-----------|--------------|
| | 04-SEP-18 | 31-AUG-18 | |
| SPDR Gold ETF | 746.92 | 755.16 | -1.09 |
| iShares Silver Trust | 10259.67 | 10259.67 | 0.00 |

| NAME OF THE ETF | CLOSING | | RATIO |
|---------------------------|-----------|--------|--------------|
| | 04-SEP-18 | | |
| Gold v/s Silver | 1199 | 14.180 | 84.56 |
| Gold v/s Crude Oil | 1199 | 69.87 | 17.16 |

| (IN TONS) | LME INVENTORIES DATA | | | % Change |
|-----------------|----------------------|-----------|--------------|--------------|
| | 04-SEP-18 | 03-SEP-18 | Change | |
| Aluminum | 1067075 | 1068675 | -1600 | -0.15 |
| Copper | 262900 | 262475 | 425 | 0.16 |
| Nickel | 237984 | 238494 | -510 | -0.21 |
| Lead | 121925 | 122925 | -1000 | -0.81 |
| Zinc | 237425 | 239175 | -1750 | -0.73 |

| BASE METALS | CLOSING | | % CH |
|----------------------|-----------|-----------|--------------|
| | 04-SEP-18 | 03-SEP-18 | |
| Aluminium Sep | 146.70 | 148.60 | -1.28 |
| Copper Nov | 415.75 | 423.85 | -1.91 |
| Nickel Sep | 891.90 | 912.30 | -2.24 |
| Lead Sep | 147.90 | 151.40 | -2.31 |
| Zinc Sep | 173.30 | 176.45 | -1.79 |

ECONOMIC CALENDER

WEDNESDAY SEPTEMBER 05 2018

| TIME | COUNTRY | EVENT | ACTUAL | FORECAST | PREVIOUS |
|----------|-----------|--|---------------|----------|----------|
| 1:00 AM | U.S. | Total Vehicle Sales | 16.60M | 16.70M | 16.77M |
| 7:00 AM | Australia | GDP (YoY) (Q2) | 3.4% | 2.8% | 3.1% |
| 7:00 AM | Australia | GDP (QoQ) (Q2) | 0.9% | 0.8% | 1.0% |
| 7:15 AM | China | Caixin Services PMI (Aug) | 51.5 | 52.7 | 52.8 |
| 10:30 AM | India | Nikkei Services PMI (Aug) | | | 54.2 |
| 1:20 PM | France | French Markit Composite PMI (Aug) | | 55.1 | 55.1 |
| 1:20 PM | France | French Services PMI (Aug) | | 55.7 | 55.7 |
| 1:25 PM | Germany | German Composite PMI (Aug) | | 55.7 | 55.7 |
| 1:25 PM | Germany | German Services PMI (Aug) | | 55.2 | 55.2 |
| 1:30 PM | Eurozone | Markit Composite PMI (Aug) | | 54.4 | 54.4 |
| 1:30 PM | Eurozone | Services PMI (Aug) | | 53.9 | 54.4 |
| 2:00 PM | U.K. | Services PMI (Aug) | | 53.9 | 53.5 |
| 2:30 PM | Eurozone | Retail Sales (YoY) (Jul) | | 1.3% | 1.2% |
| 2:30 PM | Eurozone | Retail Sales (MoM) (Jul) | | -0.1% | 0.3% |
| 6:00 PM | U.S. | Exports | | | 213.81B |
| 6:00 PM | U.S. | Imports | | | 260.16B |
| 6:00 PM | U.S. | Trade Balance (Jul) | | -50.30B | -46.30B |

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