

COMMODITY

Report

05 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



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ECONOMIC / GLOBAL NEWS

- Oil futures settled lower, with the U.S. benchmark suffering its largest one-day percentage decline since mid-August. November West Texas Intermediate crude, the U.S. benchmark contract, lost \$2.08, or 2.72%, to settle at \$74.33 a barrel on the New York Mercantile Exchange. MCX Crude Oil October expiry closed at Rs. 5487 per barrel, down 2.82%.
- U.S. initial jobless claims fell to 207,000 in the week ended September 29th, a decrease of 8,000 from the previous week's revised level of 215,000. Continuing claims dipped by 13,000 to 1.650 million in the week ended September 22nd.
- U.S. factory orders surged up by 2.3% in August after falling by a revised 0.5% in July.
- The U.S. Energy Information Administration reported that domestic supplies of natural gas rose by 98 billion cubic feet for the week ended Sept. 28. Total stocks now stand at 2.866 trillion cubic feet, down 636 billion cubic feet from a year ago, and 607 billion below the five-year average, the government said.
- Germany's construction PMI came in at 50.2 in September, down from 51.5 in August.
- Australia's retail sales grew 0.3% month-on-month in August, following a relatively unchanged estimate in July and a 0.4% rise in June.
- Japan's leading index, which measures the future economic activity, rose to 104.4 in August from 103.9 in July.
- South Korea's consumer prices were up 1.9% on year in September, up from 1.4% in August. On a monthly basis, inflation was up 0.7%, beating forecasts for 0.6% and up from 0.5%.
- Hong Kong's private sector Nikkei PMI fell to 47.9 in September from 48.5 in August.
- Malaysia's exports slid 0.3% year-on-year to MYR 81.8 billion in August. Meanwhile, imports registered a double-digit growth of 11.2% to hit MYR 80.2 billion. As a result, the trade surplus reached MYR 1.6 billion, the lowest level since November 2014.
- India's Nikkei services PMI fell to 50.9 in September from 51.5 in August. The composite output index came in at 51.6, down from 51.9 in August.

INDEX	04-OCT-18	03-OCT-18	PTS. CH.	% CHANGE
Dow	26627.58	26828.39	-200.81	-0.75
Nifty	10599.25	10858.25	-259.00	-2.39
Sensex	35169.16	35975.63	-806.47	-2.24
USD/INR	73.58	73.34	0.23	0.32
Dollar Index	95.41	95.41	0.00	0.00
Euro/\$1US	1.1517	1.1478	0.0039	0.34
\$1US/¥en	113.90	114.53	-0.63	-0.55
Pound/\$1US	1.3022	1.2940	0.0082	0.63

MARKET UPDATE

- The S&P 500 and the Nasdaq booked their worst sessions in about three months as a powerful climb in government bond yields rippled through Wall Street, forcing a broad reassessment of assets perceived as risky, like stocks. The S&P 500 lost 23.90 points, or 0.8%, to 2,901.61, and the Nasdaq Composite Index skidded 145.57 points to 7,879.51, a drop of 1.8%.
- 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

- A six-session win streak for the U.S. dollar was in jeopardy after sovereign bond yields jump, following Treasury rates, helping to strengthen rivals to the greenback. After hitting a two-week low of \$1.1463, the euro has regained the \$1.15 handle and was last trading at \$1.1510, compared with \$1.1480, up 0.3%. The British pound rallied, erasing early losses to trade back above the psychological \$1.30 level. Sterling was last changing hands at \$1.3024, compared with \$1.2939. Earlier in the session the pound made an early low of \$1.2922, its lowest level since Sept. 10. The ICE Dollar Index was trading at 95.79, after briefly topping 96 earlier in the session. The dollar rallied to a nine-month high versus the Japanese yen above ¥114.50 in early trading but subsequently gave up all of those gains and more. A traditional haven currency, the yen has strengthened against the buck Thursday as U.S. equities faltered. Most recently, a single dollar was buying ¥113.84.
- The rupee crashed to a historic low of 73.81 to the dollar due to the twin-impact of capital outflows triggered by surging US Treasury yields and crude oil prices racing to a four-year high. The domestic currency closed at a record low of 73.58, down by 23 paise or 0.32%. The rupee opened on a weak note at 73.72 against the previous close of 73.34 per dollar. The FBIL set the reference rate at 73.7509 for the US dollar.

BULLION	CLOSING		% CH
	04-OCT-18	03-OCT-18	
Gold Dec MCX	31417	31363	0.17
Gold Dec Comex	1202	1203	-0.11
Silver Dec MCX	38971	39092	-0.31
Silver Dec Comex	14.590	14.670	-0.55
ENERGY			
Crude Oil Oct MCX	5487	5646	-2.82
Crude Nov Nymex	74.33	76.41	-2.72
Natural Gas Oct MCX	234.20	238.50	-1.80
Nat. Gas Nov Henry Hub	3.165	3.230	-2.01

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	04-OCT-18	03-OCT-18	
SPDR Gold ETF	731.64	731.64	0.00
iShares Silver Trust	10372.26	10413.18	-0.39

NAME OF THE ETF	CLOSING		RATIO
	04-OCT-18		
Gold v/s Silver	1202	14.590	82.36
Gold v/s Crude Oil	1202	74.33	16.17

(IN TONS)	LME INVENTORIES DATA			% Change
	04-OCT-18	03-OCT-18	Change	
Aluminum	974075	979800	-5725	-0.58
Copper	188950	194175	-5225	-2.69
Nickel	228090	228438	-348	-0.15
Lead	114600	114525	75	0.07
Zinc	203675	198575	5100	2.57

BASE METALS	CLOSING		% CH
	04-OCT-18	03-OCT-18	
Aluminium Oct	161.20	165.45	-2.57
Copper Nov	457.20	464.70	-1.61
Nickel Oct	926.00	952.40	-2.77
Lead Oct	147.40	150.15	-1.83
Zinc Oct	195.75	199.65	-1.95

ECONOMIC CALENDER

FRIDAY OCTOBER 05 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
7:00 AM	Australia	Retail Sales (MoM) (Aug)	0.3%	0.3%	0.0%
11:30 AM	Germany	German Factory Orders (MoM) (Aug)		0.7%	-0.9%
11:30 AM	Germany	German PPI (YoY) (Aug)		2.9%	3.0%
11:30 AM	Germany	German PPI (MoM) (Aug)		0.2%	0.2%
12:15 PM	France	French Current Account (Aug)			0.50B
12:15 PM	France	French Exports (Aug)			41.4B
12:15 PM	France	French Imports (Aug)			44.8B
12:15 PM	France	French Trade Balance (Aug)		-4.5B	-3.5B
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%
5:00 PM	India	FX Reserves, USD			401.79B
6:00 PM	U.S.	Exports			211.08B
6:00 PM	U.S.	Imports			261.20B
6:00 PM	U.S.	Nonfarm Payrolls (Sep)		185K	201K
6:00 PM	U.S.	Private Nonfarm Payrolls (Sep)		180K	204K
6:00 PM	U.S.	Trade Balance (Aug)		-53.40B	-50.10B
6:00 PM	U.S.	Unemployment Rate (Sep)		3.8%	3.9%

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