

# COMMODITY

## Report

09 July 2018



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EVERYTHING YOU  
NEED TO KNOW  
ABOUT THE COMMODITY



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## ECONOMIC / GLOBAL NEWS

- Oil benchmarks finished on a mixed note, with both booking their first weekly losses in three weeks amid signs of rising crude supplies. August West Texas Intermediate crude, the U.S. benchmark, tacked on 86 cents, or 1.18%, to settle at \$73.80 a barrel on the New York Mercantile Exchange. MCX Crude Oil July expiry closed at Rs. 5075 per barrel, up 0.71%.
- U.S. non-farm payroll employment jumped by 213,000 jobs in June after surging up by an upwardly revised 244,000 jobs in May. Additionally, the private sector created more new job contracts than expected in June with a total of 202,000. The unemployment rate rose to 4.0% in June from 3.8% in May.
- U.S. trade gap narrowed 6.6% to \$43.1 billion, the smallest since October 2016. In May, exports of goods and services rose 1.9% to a record \$215.3 billion. Exports were boosted by a \$1.9 billion increase in deliveries of commercial aircraft. Soybean exports increased 2.0 billion. Imports of goods and services rose 0.4% to \$258.4 billion in May.
- The U.S. Energy Information Administration reported that domestic supplies of natural gas rose by 78 billion cubic feet for the week ended June 29. Total stocks now stand at 2.152 trillion cubic feet, down 717 billion cubic feet from a year ago, and 493 billion below the five-year average, the government said.
- U.K. house prices grew only 0.3% on month in June, following May's 1.7% increase. In three months to June, house prices advanced 1.8% annually, slower than the 1.9% rise seen in three months to May.
- Germany's industrial production grew 2.6% month-on-month in May, reversing a revised 1.3% drop in April. On a yearly basis, industrial production advanced by more-than-expected 3.1% after rising 1.4% a month ago.
- France's trade deficit rose to EUR 6.0 billion in May from EUR 5.21 billion in the previous month. Exports fell 2.0% month-over-month in May, reversing a 2.9% increase a month ago. Imports edged down 0.1% from April, when it grew by 2.8%.
- France's seasonally and working-day-adjusted current account deficit widened to EUR 2.9 billion in May from EUR 1.3 billion in the prior month. Japan had a current account surplus of 1,938.3 billion yen in May, up from 1,845.1 billion yen in April. The adjusted current account surplus was 1,850.0 billion yen - following the 1,885.5 billion yen surplus a month earlier.

| INDEX               | 06-JULY-18 | 05-JULY-18 | PTS. CH.      | % CHANGE     |
|---------------------|------------|------------|---------------|--------------|
| <b>Dow</b>          | 24456.48   | 24356.74   | <b>99.74</b>  | <b>0.41</b>  |
| <b>Nifty</b>        | 10772.65   | 10749.75   | <b>22.90</b>  | <b>0.21</b>  |
| <b>Sensex</b>       | 35657.86   | 35574.55   | <b>83.31</b>  | <b>0.23</b>  |
| <b>USD/INR</b>      | 68.87      | 68.95      | <b>-0.07</b>  | <b>-0.11</b> |
| <b>Dollar Index</b> | 93.77      | 94.22      | <b>-0.45</b>  | <b>-0.48</b> |
| <b>Euro/\$1US</b>   | 1.1747     | 1.1691     | <b>0.0056</b> | <b>0.48</b>  |
| <b>\$1US/Yen</b>    | 110.46     | 110.62     | <b>-0.16</b>  | <b>-0.14</b> |
| <b>Pound/\$1US</b>  | 1.3285     | 1.3227     | <b>0.0058</b> | <b>0.44</b>  |

## MARKET UPDATE

- U.S. stocks closed solidly higher, helping the three main benchmarks book a second straight session of gains after a read on the labor market came in stronger than expected, supporting the thesis that economic fundamentals remain healthy despite trade-war anxieties. The S&P 500 index gained 23.21 points to 2,759.82, a gain of 0.9%. The Nasdaq Composite Index advanced by 101.96 points, or 1.3%, to 7,688.39.
- Indian market rose as investors responded with calm to the U.S. tariffs on 34 billion dollars worth of Chinese imports that took effect after midnight Thursday.

## CURRENCY UPDATE

The dollar index traded lower, with most major rivals strengthening against the buck, after June data showed a stronger-than-expected rise in nonfarm payrolls as investors monitored the escalation of the U.S.-China trade skirmish. The ICE U.S. Dollar index fell 0.5% to 94.012, versus a level around 94.289. The euro rose to \$1.1750, up slightly from \$1.1692 late in the previous session and \$1.1718 ahead of the jobs report. The U.S. currency bought 110.48 Japanese yen down from around 110.66.

Staging a mild recovery from a record closing low, the rupee edged up by 7 paise to end at 68.87 against the US currency. At the Interbank Foreign Exchange (forex) market, the local currency resumed higher at 68.88 from overnight close of 68.95 on fresh bouts of dollar selling by banks. It gained further ground to hit a session high of 68.81 before retreating sharply. After falling to an intra-day low of 69.04, its lowest since June 28, the local unit gradually bounced back towards the fag-end trade to settle at 68.87, revealing a modest gain of 7 paise, or 0.11%. The RBI fixed the reference rate for the dollar at 68.7545.

| BULLION                       | CLOSING    |            | % CH         |
|-------------------------------|------------|------------|--------------|
|                               | 06-JULY-18 | 05-JULY-18 |              |
| <b>Gold Aug MCX</b>           | 30560      | 30650      | <b>-0.29</b> |
| <b>Gold Aug Comex</b>         | 1256       | 1259       | <b>-0.24</b> |
| <b>Silver Sep MCX</b>         | 39766      | 39881      | <b>-0.29</b> |
| <b>Silver Sep Comex</b>       | 16.069     | 16.097     | <b>-0.17</b> |
| <b>ENERGY</b>                 |            |            |              |
| <b>Crude Oil Jul MCX</b>      | 5075       | 5039       | <b>0.71</b>  |
| <b>Crude Aug Nymex</b>        | 73.80      | 72.94      | <b>1.18</b>  |
| <b>Natural Gas Jul MCX</b>    | 196.70     | 196.50     | <b>0.10</b>  |
| <b>Nat. Gas Aug Henry Hub</b> | 2.858      | 2.837      | <b>0.74</b>  |

| NAME OF THE ETF             | HOLDINGS IN TONNES AS ON |            | % CH         |
|-----------------------------|--------------------------|------------|--------------|
|                             | 06-JULY-18               | 05-JULY-18 |              |
| <b>SPDR Gold ETF</b>        | 802.24                   | 803.42     | <b>-0.15</b> |
| <b>iShares Silver Trust</b> | 10087.04                 | 10087.04   | <b>0.00</b>  |

| NAME OF THE ETF           | CLOSING    |        | RATIO        |
|---------------------------|------------|--------|--------------|
|                           | 06-JULY-18 |        |              |
| <b>Gold v/s Silver</b>    | 1256       | 16.069 | <b>78.15</b> |
| <b>Gold v/s Crude Oil</b> | 1256       | 73.80  | <b>17.02</b> |

| (IN TONS)       | LME INVENTORIES DATA |            |              | % Change     |
|-----------------|----------------------|------------|--------------|--------------|
|                 | 06-JULY-18           | 05-JULY-18 | Change       |              |
| <b>Aluminum</b> | 1105975              | 1106600    | <b>-625</b>  | <b>-0.06</b> |
| <b>Copper</b>   | 275475               | 279000     | <b>-3525</b> | <b>-1.26</b> |
| <b>Nickel</b>   | 266868               | 268392     | <b>-1524</b> | <b>-0.57</b> |
| <b>Lead</b>     | 131125               | 131175     | <b>-50</b>   | <b>-0.04</b> |
| <b>Zinc</b>     | 249025               | 249025     | <b>0</b>     | <b>0.00</b>  |

| BASE METALS          | CLOSING    |            | % CH         |
|----------------------|------------|------------|--------------|
|                      | 06-JULY-18 | 05-JULY-18 |              |
| <b>Aluminium Jul</b> | 143.85     | 143.70     | <b>0.10</b>  |
| <b>Copper Aug</b>    | 431.60     | 433.50     | <b>-0.44</b> |
| <b>Nickel Jul</b>    | 958.90     | 977.00     | <b>-1.85</b> |
| <b>Lead Jul</b>      | 161.55     | 163.15     | <b>-0.98</b> |
| <b>Zinc Jul</b>      | 190.60     | 187.30     | <b>1.76</b>  |

## ECONOMIC CALENDER

MONDAY JULY 09, 2018

| TIME     | COUNTRY  | EVENT                                   | ACTUAL        | FORECAST | PREVIOUS |
|----------|----------|---|---------------|----------|----------|
| 5:20 AM  | Japan    | <b>Adjusted Current Account</b>         | <b>1.85T</b>  | 1.18T    | 1.89T    |
| 5:20 AM  | Japan    | <b>Current Account n.s.a. (May)</b>     | <b>1.938T</b> | 1.240T   | 1.845T   |
| 11:30 AM | Germany  | <b>German Exports (MoM) (May)</b>       |               | 0.8%     | -0.3%    |
| 11:30 AM | Germany  | <b>German Imports (MoM) (May)</b>       |               | -0.3%    | 2.2%     |
| 11:30 AM | Germany  | <b>German Trade Balance (May)</b>       |               | 20.3B    | 19.4B    |
| 2:00 PM  | Eurozone | <b>Sentix Investor Confidence (Jul)</b> |               | 9.0      | 9.3      |
| 7:30 PM  | U.S.     | <b>CB Employment Trends Index (Jun)</b> |               |          | 107.7    |

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