

# COMMODITY

## Report

09 August 2018



**SHRIRAM INSIGHT SHARE BROKERS LIMITED**

Enquiry : +91 33 2359 4612, +91 33 2359 4614, +91 33 2358 1953,  
E-mail : [research@shriraminsight.com](mailto:research@shriraminsight.com)

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NEED TO KNOW  
ABOUT THE COMMODITY



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## ECONOMIC / GLOBAL NEWS

- U.S. oil prices registered their steepest one-day drop in more than three weeks as the bullish narrative that had buoyed crude futures for the past two sessions - supply disruptions and strong demand - appeared to reverse course for now. On the New York Mercantile Exchange, West Texas Intermediate futures for September delivery fell \$2.23, or 3.22%, to \$66.94 a barrel. The U.S. Energy Information Administration reported that domestic crude supplies declined by 1.351 million barrels for the week ended Aug. 3. Gasoline stockpiles rose by 2.9 million barrels for the week, while distillate stockpiles added 1.2 million barrels, according to the EIA. MCX Crude Oil August expiry closed at Rs. 4570 per barrel, down 4.03%.
- China consumer prices were up 2.1% on year in July, was up from 1.9% in June. On a monthly basis, CPI added 0.3% after easing 0.1% in June. The producer prices jumped an annual 4.6% - down from 4.7% in the previous month.
- U.K. RICS house price balance rose to +4% in July.
- Spain's industrial production rose by adjusted 0.5% annually after expanding 1.3% in May. Month-on-month, industrial output dropped 0.6% in June, reversing May's 0.8% rise.
- Japan's total number of core machine orders tumbled a seasonally adjusted 8.8% on month in June - worth 827.6 billion yen, after sliding 3.7% in May. On a yearly basis, core machine orders added 0.3% - down sharply from 16.5% in the previous month.
- Thailand's central bank maintained its interest rate unchanged, the Monetary Policy Committee of Bank of Thailand voted 6-1 to hold the policy rate at 1.50%.
- Philippine gross domestic product advanced 6.0% year-over-year in the second quarter, slower than the 6.6% rise in the first quarter, which was revised down from a 6.8% spike reported earlier.

| INDEX               | 08-AUG-18 | 07-AUG-18 | PTS. CH.       | % CHANGE     |
|---------------------|-----------|-----------|----------------|--------------|
| <b>Dow</b>          | 25583.75  | 25628.91  | <b>-45.16</b>  | <b>-0.18</b> |
| <b>Nifty</b>        | 11450.00  | 11389.45  | <b>60.55</b>   | <b>0.53</b>  |
| <b>Sensex</b>       | 37887.56  | 37665.80  | <b>221.76</b>  | <b>0.59</b>  |
| <b>USD/INR</b>      | 68.62     | 68.68     | <b>-0.06</b>   | <b>-0.09</b> |
| <b>Dollar Index</b> | 94.95     | 95.05     | <b>-0.10</b>   | <b>-0.11</b> |
| <b>Euro/\$1US</b>   | 1.1609    | 1.1599    | <b>0.0010</b>  | <b>0.09</b>  |
| <b>\$1US/Yen</b>    | 110.91    | 111.39    | <b>-0.48</b>   | <b>-0.43</b> |
| <b>Pound/\$1US</b>  | 1.2877    | 1.2939    | <b>-0.0062</b> | <b>-0.48</b> |

## MARKET UPDATE

- U.S. stock-market indexes closed mostly lower as investors grappled with a fresh round of tariff clashes between the Trump administration and China and a batch of weak earnings from high-profile firms such as Walt Disney Co. and Snap Inc. The S&P 500 index broke the four-day winning streak by closing fractionally lower at 2,857.70. The Nasdaq Composite Index advanced 4.66 points, or less than 0.1%, to 7,888.33.
- Indian market logged modest gains on steady buying demand with the Sensex and the Nifty, both, scaling record highs.

## CURRENCY UPDATE

- The British pound early in New York touched its weakest level against the U.S. dollar in about a year as Brexit worries buffeted the currency. Meanwhile, trade data from China offered some signs of the second-largest economy's tariff spat with the U.S. The ICE U.S. Dollar Index down 0.1% at 95.092. Still, the British pound last bought \$1.2887, down from \$1.2938. The next key target level for the currency would be around \$1.2775 to \$1.2800. The yen last fetched ¥110.99, down from ¥111.38.
- The rupee further consolidated its gains by 6 paise to end at 68.62 against the US currency, extending its recovery momentum for the second-straight day as the dollar weakened on worsening US-China trade war. The rupee confined in a narrow range of 68.57 and 68.71 most part of the day. Earlier, the rupee opened a tad higher at 68.66 from Tuesday's close of 68.68 at the Interbank Foreign Exchange (forex) market on sustained dollar selling by exporters and bank. It later strengthened to hit a session high of 68.57 in mid-morning deals, but eventually halted the sharp upmove and settled at 68.62, showing a gain of 6 paise, or 0.09%. The Financial Benchmarks India private limited fixed the reference rate for the dollar at 68.6465.

| BULLION                       | CLOSING   |           | % CH         |
|-------------------------------|-----------|-----------|--------------|
|                               | 08-AUG-18 | 07-AUG-18 |              |
| <b>Gold Oct MCX</b>           | 29610     | 29597     | <b>0.04</b>  |
| <b>Gold Dec Comex</b>         | 1221      | 1218      | <b>0.22</b>  |
| <b>Silver Sep MCX</b>         | 37947     | 37883     | <b>0.17</b>  |
| <b>Silver Sep Comex</b>       | 15.432    | 15.373    | <b>0.38</b>  |
| <b>ENERGY</b>                 |           |           |              |
| <b>Crude Oil Aug MCX</b>      | 4570      | 4762      | <b>-4.03</b> |
| <b>Crude Sep Nymex</b>        | 66.94     | 69.17     | <b>-3.22</b> |
| <b>Natural Gas Aug MCX</b>    | 202.10    | 198.90    | <b>1.61</b>  |
| <b>Nat. Gas Sep Henry Hub</b> | 2.949     | 2.897     | <b>1.79</b>  |

| NAME OF THE ETF             | HOLDINGS IN TONNES AS ON |           | % CH         |
|-----------------------------|--------------------------|-----------|--------------|
|                             | 08-AUG-18                | 07-AUG-18 |              |
| <b>SPDR Gold ETF</b>        | 786.08                   | 787.53    | <b>-0.18</b> |
| <b>iShares Silver Trust</b> | 10215.81                 | 10215.81  | <b>0.00</b>  |

| NAME OF THE ETF           | CLOSING   |        | RATIO        |
|---------------------------|-----------|--------|--------------|
|                           | 08-AUG-18 |        |              |
| <b>Gold v/s Silver</b>    | 1221      | 15.432 | <b>79.12</b> |
| <b>Gold v/s Crude Oil</b> | 1221      | 66.94  | <b>18.24</b> |

| (IN TONS)       | LME INVENTORIES DATA |           |              | % Change     |
|-----------------|----------------------|-----------|--------------|--------------|
|                 | 08-AUG-18            | 07-AUG-18 | Change       |              |
| <b>Aluminum</b> | 1162750              | 1170300   | <b>-7550</b> | <b>-0.65</b> |
| <b>Copper</b>   | 249150               | 248050    | <b>1100</b>  | <b>0.44</b>  |
| <b>Nickel</b>   | 250548               | 251466    | <b>-918</b>  | <b>-0.37</b> |
| <b>Lead</b>     | 125125               | 125775    | <b>-650</b>  | <b>-0.52</b> |
| <b>Zinc</b>     | 231900               | 232625    | <b>-725</b>  | <b>-0.31</b> |

| BASE METALS          | CLOSING   |           | % CH         |
|----------------------|-----------|-----------|--------------|
|                      | 08-AUG-18 | 07-AUG-18 |              |
| <b>Aluminium Aug</b> | 144.60    | 139.45    | <b>3.69</b>  |
| <b>Copper Aug</b>    | 418.00    | 418.10    | <b>-0.02</b> |
| <b>Nickel Aug</b>    | 960.30    | 950.90    | <b>0.99</b>  |
| <b>Lead Aug</b>      | 146.35    | 147.05    | <b>-0.48</b> |
| <b>Zinc Aug</b>      | 180.95    | 180.55    | <b>0.22</b>  |

## ECONOMIC CALENDER

WEDNESDAY AUGUST 09, 2018

| TIME      | COUNTRY | EVENT                                    | ACTUAL       | FORECAST | PREVIOUS |
|-----------|---------|--|--------------|----------|----------|
| 4:31 AM   | U.K.    | <b>RICS House Price Balance (Jul)</b>    | <b>4%</b>    | 4%       | 2%       |
| 5:20 AM   | Japan   | <b>Core Machinery Orders (YoY) (Jun)</b> | <b>0.3%</b>  | 9.5%     | 16.5%    |
| 5:20 AM   | Japan   | <b>Core Machinery Orders (MoM) (Jun)</b> | <b>-8.8%</b> | -1.2%    | -3.7%    |
| 7:00 AM   | China   | <b>CPI (MoM) (Jul)</b>                   | <b>0.3%</b>  | 0.2%     | -0.1%    |
| 7:00 AM   | China   | <b>CPI (YoY) (Jul)</b>                   | <b>2.1%</b>  | 1.9%     | 1.9%     |
| 7:00 AM   | China   | <b>PPI (YoY) (Jul)</b>                   | <b>4.6%</b>  | 4.6%     | 4.7%     |
| Tentative | China   | <b>M2 Money Stock (YoY)</b>              |              | 8.2%     | 8.0%     |
| Tentative | China   | <b>New Loans</b>                         |              | 1,200.0B | 1,840.0B |
| 6:00 PM   | U.S.    | <b>Continuing Jobless Claims</b>         |              | 1,740K   | 1,724K   |
| 6:00 PM   | U.S.    | <b>Core PPI (MoM) (Jul)</b>              |              | 0.2%     | 0.3%     |
| 6:00 PM   | U.S.    | <b>Core PPI (YoY) (Jul)</b>              |              | 2.8%     | 2.8%     |
| 6:00 PM   | U.S.    | <b>Initial Jobless Claims</b>            |              | 220K     | 218K     |
| 6:00 PM   | U.S.    | <b>PPI (MoM) (Jul)</b>                   |              | 0.2%     | 0.3%     |
| 6:00 PM   | U.S.    | <b>PPI (YoY) (Jul)</b>                   |              | 3.4%     | 3.4%     |
| 7:30 PM   | U.S.    | <b>Wholesale Inventories (MoM) (Jun)</b> |              | 0.0%     | 0.0%     |
| 8:00 PM   | U.S.    | <b>Natural Gas Storage</b>               |              | 47B      | 35B      |

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