

# COMMODITY

## Report

09 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](mailto: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](mailto:research@shriraminsight.com)

## ECONOMIC / GLOBAL NEWS

- Natural-gas futures climbed, extending their gains from last week to reach new multiweek highs as U.S. supplies remained below five-year averages. Prices also got a boost from Hurricane Michael's disruptions to Gulf gas output. November natural-gas futures rose 12.4 cents, or 3.95%, to \$3.267 per million British thermal units-again settling at their highest since January. MCX Natural Gas October expiry closed at Rs. 242.20 per British thermal unit, up 4.08%.
- China Caixin composite output index rose marginally to 52.1 in September from 52.0 in August.
- China said that it will reduce the ratio of cash that banks should retain as reserves by 100 basis points, with effect from October 15. The latest 1%age point cut is set to release \$175 billion.
- U.S. non-farm payroll employment climbed by 134,000 jobs in September. Payroll gains for August were revised to 270,000 from the 201,000 initially reported. The unemployment rate fell to 3.7% in September from 3.9% in August.
- U.S. trade deficit widened to \$53.2 billion in August from a revised \$50.0 billion in July.
- U.S. consumer credit surged up by \$20.1 billion in August after climbing by \$16.6 billion in July.
- Eurozone Sentix investor sentiment index fell more-than-expected to 11.4 in October from 12.0 in September.
- Germany's producer prices advanced 3.1% year-on-year in August, following a 2.9% increase logged in July. Monthly increase in producer prices improved to 0.3% in August from 0.2% in July.
- Germany's industrial production slid 0.3% in August from July. Production had decreased 1.3% in July.
- Germany's factory orders grew by more-than-expected 2% on month in August, reversing a 0.9% drop in July.
- France recorded a trade deficit of 5.6 billion euros (\$6.45 billion) in August, after 3.4 billion euros in July.
- France's current account showed a deficit of 1.6 billion euros in August after a surplus of 300 million euros in July.
- Japan logged a current account surplus of 1.84 trillion yen (\$16.3 billion) in August.

INDEX	08-OCT-18	05-OCT-18	PTS. CH.	% CHANGE
<b>Dow</b>	26486.78	26447.05	<b>39.73</b>	<b>0.15</b>
<b>Nifty</b>	10348.05	10316.45	<b>31.60</b>	<b>0.31</b>
<b>Sensex</b>	34474.38	34376.99	<b>97.39</b>	<b>0.28</b>
<b>USD/INR</b>	74.07	73.77	<b>0.30</b>	<b>0.41</b>
<b>Dollar Index</b>	95.44	95.31	<b>0.13</b>	<b>0.14</b>
<b>Euro/\$1US</b>	1.1494	1.1524	<b>-0.0030</b>	<b>-0.26</b>
<b>\$1US/¥en</b>	113.12	113.72	<b>-0.60</b>	<b>-0.53</b>
<b>Pound/\$1US</b>	1.3093	1.3123	<b>-0.0030</b>	<b>-0.23</b>

## MARKET UPDATE

- The Dow Jones Industrial Average bounced back from earlier losses to finish higher Monday, but the broader stock market closed lower as fears over rapidly rising rates continued to weigh on sentiment. The S&P 500 index fell 1.14 points to 2,884.43 and the Nasdaq Composite Index shed 52.50 points, or 0.7%, to 7,735.95.
- Indian shares rose slightly to snap a three-day losing streak as oil prices fell sharply and the government said it will not go back on fuel deregulation, helping spur a rally in the battered oil sector.

## CURRENCY UPDATE

The U.S. dollar strengthened against most of its major rivals to begin the week. The ICE U.S. Dollar Index strengthened to 95.739, up 0.2%. The index reached an intraday high of 96.03. The euro was trading at \$1.1492, compared with \$1.1523. After surging above \$1.31, the British pound has surrendered gains and traded at \$1.3092 versus \$1.3115.

The rupee hit yet another record low as it closed at an all-time low of 74.07 against dollar by falling 30 paise, following unabated foreign fund outflows. The local currency opened the day at lower at 73.96 against Friday's closing level of 73.77.

BULLION	CLOSING		% CH
	08-OCT-18	05-OCT-18	
<b>Gold Dec MCX</b>	31220	31643	<b>-1.34</b>
<b>Gold Dec Comex</b>	1189	1206	<b>-1.41</b>
<b>Silver Dec MCX</b>	38458	39274	<b>-2.08</b>
<b>Silver Dec Comex</b>	14.329	14.649	<b>-2.18</b>
<b>ENERGY</b>			
<b>Crude Oil Oct MCX</b>	5494	5546	<b>-0.94</b>
<b>Crude Nov Nymex</b>	74.29	74.34	<b>-0.07</b>
<b>Natural Gas Oct MCX</b>	242.20	232.70	<b>4.08</b>
<b>Nat. Gas Nov Henry Hub</b>	3.267	3.143	<b>3.95</b>

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	08-OCT-18	05-OCT-18	
<b>SPDR Gold ETF</b>	730.17	730.17	<b>0.00</b>
<b>iShares Silver Trust</b>	10354.73	10372.26	<b>-0.17</b>

NAME OF THE ETF	CLOSING		RATIO
	08-OCT-18		
<b>Gold v/s Silver</b>	1189	14.329	<b>82.95</b>
<b>Gold v/s Crude Oil</b>	1189	74.29	<b>16.00</b>

(IN TONS)	LME INVENTORIES DATA			% Change
	08-OCT-18	05-OCT-18	Change	
<b>Aluminum</b>	963350	966900	<b>-3550</b>	<b>-0.37</b>
<b>Copper</b>	181975	186800	<b>-4825</b>	<b>-2.58</b>
<b>Nickel</b>	226476	227802	<b>-1326</b>	<b>-0.58</b>
<b>Lead</b>	114150	114275	<b>-125</b>	<b>-0.11</b>
<b>Zinc</b>	200350	201600	<b>-1250</b>	<b>-0.62</b>

BASE METALS	CLOSING		% CH
	08-OCT-18	05-OCT-18	
<b>Aluminium Oct</b>	154.25	157.70	<b>-2.19</b>
<b>Copper Nov</b>	456.10	456.55	<b>-0.10</b>
<b>Nickel Oct</b>	936.70	940.20	<b>-0.37</b>
<b>Lead Oct</b>	146.25	147.90	<b>-1.12</b>
<b>Zinc Oct</b>	198.35	197.95	<b>0.20</b>

## ECONOMIC CALENDER

TUESDAY OCTOBER 09 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
5:20 AM	Japan	<b>Adjusted Current Account</b>	<b>1.43T</b>	1.52T	1.48T
5:20 AM	Japan	<b>Current Account n.s.a. (Aug)</b>	<b>1.838T</b>	1.897T	2.010T
11:30 AM	Germany	<b>German Exports (MoM) (Aug)</b>		0.3%	-0.9%
11:30 AM	Germany	<b>German Imports (MoM) (Aug)</b>		-0.2%	2.8%
11:30 AM	Germany	<b>German Trade Balance (Aug)</b>		16.4B	15.8B

## 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