

COMMODITY

Report

10 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
NEED TO KNOW
ABOUT THE COMMODITY



Enquiry : +91 33 2359 4612, +91 33 2359 4614, +91 33 2358 1953, E-mail : research@shriraminsight.com

ECONOMIC / GLOBAL NEWS

- Gold futures ended lower, building on a loss for the week, as strong U.S. jobs data provided a boost to the dollar and supported expectations for further interest-rate hikes this year. December gold GCZ8, -0.21% fell \$3.90, or 0.32%, to settle at \$1,200.40 an ounce. MCX Gold October expiry closed at Rs. 30494 per 10 gram, down 0.17%.
- China's export growth weakened slightly in August to 9.8% from a year earlier while imports grew 20.0%. China posted a smaller trade surplus of \$27.91 billion for the month.
- China's consumer prices were up 2.3% on year in August, unchanged from the July reading. On a year-on-year basis, the CPI rose 2.3% in August, fastest pace since February this year. It also accelerated from July's 2.1%. The producer prices jumped an annual 4.1%, down from 4.6% in the previous month.
- China's foreign exchange reserves stood at 3.1097 trillion U.S. dollars in August, down 0.26%, or 8.2 billion U.S. dollars from a month earlier.
- U.S. non-farm payroll employment surged up by 201,000 jobs in August after climbing by a downwardly revised 147,000 jobs in July. Additionally, the private sector created more new job contracts in August with a total of 204,000. The unemployment rate held at 3.9 percent in August.
- Eurozone gross domestic product climbed 0.4% sequentially in the second quarter, the same rate as seen in the first quarter. On a yearly basis, GDP growth eased to 2.1% from 2.4% in the preceding period.
- Germany's exports fell unexpectedly 0.9% on month in July, reversing June's 0.1% rise while imports accelerated to 2.8% from 1.3% in June. As a result, the trade surplus fell to a seasonally adjusted EUR 15.8 billion from EUR 19.3 billion in the previous month.
- Germany's industrial production fell 1.1% month-on-month in July. On a yearly basis, industrial production grew 1.1%, but slower than the 2.7% increase seen in June.
- France's trade gap shrunk to EUR 3.49 billion in July from EUR 6.00 billion in the same month last year. In June, the trade deficit was EUR 6.07 billion. On a month-on-month basis, exports rose 1.2% in July, after 0.9% in June. In contrast, imports fell 4.4% after a revised 0.9% growth in the previous month.
- France's industrial production grew 0.7% month-on-month in July, the same pace of expansion as seen in June.
- Japan's gross domestic product climbed 3.0% on year in the second quarter of 2018, up from the previous reading of 1.9%. On an annualized seasonally adjusted basis, GDP added 0.7% - unchanged.
- Japan had a current account surplus of 2,009.7 billion yen in July, up from 1,175.6 billion yen in June. The adjusted current account surplus was 1,484.7 billion yen, down from 1,762.4 billion yen a month earlier.
- India's current account deficit stood at USD 15.8 bn (2.4% of GDP) in Q1 of 2018-19 as compared with USD 15.0 bn (2.5% of GDP) in Q1 of 2017-18. The widening of the CAD on a year-on-year (y-o-y) basis was primarily on account of a higher trade deficit at \$45.7 billion as compared with \$41.9 billion a year ago. But the overall balance of payments ended in a deficit of \$11.3 billion compared to a surplus of \$11.4 billion in the previous comparable period. In absolute terms, the CAD was higher on account of higher trade deficit at \$45.7 billion as compared with \$41.9 billion a year ago.

INDEX	07-SEP-18	06-SEP-18	PTS. CH.	% CHANGE
Dow	25916.54	25995.87	-79.33	-0.31
Nifty	11589.10	11536.90	52.20	0.45
Sensex	38389.82	38242.81	147.01	0.38
USD/INR	71.73	71.99	-0.26	-0.36
Dollar Index	95.33	94.99	0.34	0.36
Euro/\$1US	1.1553	1.1622	-0.0069	-0.59
\$1US/¥en	111.08	110.75	0.33	0.30
Pound/\$1US	1.2929	1.2932	-0.0003	-0.02

MARKET UPDATE

- U.S. stocks closed lower to retreat for the week after President Donald Trump said the U.S. had tariffs ready to go on another \$267 billion in Chinese goods, on top of tariffs on \$200 billion in goods the administration is now preparing. Friday's drop marks the S&P 500 and the Nasdaq's fourth straight decline. The S&P 500 index fell 6.37 points, or 0.2%, to 2,871.68 in bumpy action, while the Nasdaq Composite slid 20.18 points, or 0.3%, to 7,902.54.
- Indian market closed higher for the second day running after an overnight fall in oil prices and further recovery in rupee.

CURRENCY UPDATE

- A whiff of accelerating wage growth provided a modest lift for the U.S. currency Friday, putting a closely watched dollar index on track for a weekly gain. The euro traded at \$1.1561 versus \$1.1621 just ahead of the data and a level of \$1.1624. The dollar traded at ¥111.09 compared with ¥110.83 before the jobs figures and ¥110.75. The ICE U.S. dollar index rose 0.4% to 95.40.
- The rupee staged a turnaround to close higher by 26 paise at 71.73 against the US dollar, snapping its seven-session losing streak after heavy intervention by the Reserve Bank. The rupee resumed higher at 71.95 from overnight level of 71.99 at the inter-bank foreign exchange. However, intense volatility pushed the rupee to break the 72-mark to hit a low of 72.04 on an intraday basis. But, the local unit quickly bounced back to trade in positive terrain following central bank intervention. It later touched a session high of 71.65 before ending at 71.73, revealing a gain of 26 paise, or 0.36%. The Financial Benchmarks India private limited fixed the reference rate for the dollar at 71.9009.

BULLION	CLOSING		% CH
	07-SEP-18	06-SEP-18	
Gold Oct MCX	30494	30547	-0.17
Gold Dec Comex	1200	1204	-0.32
Silver Dec MCX	37167	37151	0.04
Silver Dec Comex	14.170	14.181	-0.08
ENERGY			
Crude Oil Sep MCX	4883	4884	-0.02
Crude Oct Nymex	67.75	67.77	-0.03
Natural Gas sep MCX	200.70	200	0.25
Nat. Gas Oct Henry Hub	2.776	2.772	0.14

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	07-SEP-18	06-SEP-18	
SPDR Gold ETF	745.44	746.92	-0.20
iShares Silver Trust	10348.67	10348.67	0.00

NAME OF THE ETF	CLOSING		RATIO
	07-SEP-18		
Gold v/s Silver	1200	14.170	84.71
Gold v/s Crude Oil	1200	67.75	17.72

(IN TONS)	LME INVENTORIES DATA			% Change
	07-SEP-18	06-SEP-18	Change	
Aluminum	1061575	1062700	-1125	-0.11
Copper	246175	254350	-8175	-3.21
Nickel	236250	236706	-456	-0.19
Lead	121400	121625	-225	-0.18
Zinc	232800	235650	-2850	-1.21

BASE METALS	CLOSING		% CH
	07-SEP-18	06-SEP-18	
Aluminium Sep	147.20	146.05	0.79
Copper Nov	422.60	424.40	-0.42
Nickel Sep	888.70	896.20	-0.84
Lead Sep	148.25	146.85	0.95
Zinc Sep	173.85	176.50	-1.50

ECONOMIC CALENDER

MONDAY SEPTEMBER 10 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
5:20 AM	Japan	Adjusted Current Account	1.48T	1.56T	1.76T
5:20 AM	Japan	Current Account n.s.a. (Jul)	2.010T	1.852T	1.176T
5:20 AM	Japan	GDP (QoQ) (Q2)	0.7%	0.7%	0.5%
5:20 AM	Japan	GDP (YoY) (Q2)	3.0%	2.6%	1.9%
7:00 AM	China	CPI (MoM) (Aug)	0.7%	0.5%	0.3%
7:00 AM	China	CPI (YoY) (Aug)	2.3%	2.2%	2.1%
7:00 AM	China	PPI (YoY) (Aug)	4.1%	4.0%	4.6%
51 min	Germany	German WPI (MoM)			0.0%
2:00 PM	U.K.	GDP (MoM)		0.2%	0.1%
2:00 PM	U.K.	Index of Services		0.5%	0.5%
2:00 PM	U.K.	Industrial Production (YoY) (Jul)		1.1%	1.1%
2:00 PM	U.K.	Industrial Production (MoM) (Jul)		0.2%	0.4%
2:00 PM	U.K.	Manufacturing Production (MoM) (Jul)		0.2%	0.4%
2:00 PM	U.K.	Manufacturing Production (YoY) (Jul)		1.5%	1.5%
2:00 PM	U.K.	Trade Balance (Jul)		-11.75B	-11.38B
2:00 PM	Eurozone	Sentix Investor Confidence (Sep)		13.8	14.7
Tentative	U.S.	OPEC Meeting			

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