

# COMMODITY

## Report

11 July 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 prices moved lower dropping 1.4% despite a forecast of warmer than normal weather by NOAA. Cool weather is expected to move into the mid-west which might reduce cooling demand. August natural gas fell 1.4% to \$2.788 per million British thermal units. MCX Natural Gas July expiry closed at Rs. 192.20 per British thermal unit, down 1.18%.
- The American Petroleum Institute reported that U.S. crude supplies fell by 6.8 million barrels for the week ended July 6. The API data also showed supplies of gasoline down 1.6 million barrels, while distillate stockpiles climbed by nearly 2 million barrels.
- U.K. gross domestic product rose 0.3% month-on-month in May after 0.2% increase in April and a flat reading in March.
- U.K. trade in goods showed a shortfall of GBP 12.36 billion in May, down from GBP 12.40 billion in April. In the same period of 2017, the shortfall was GBP 11.4 billion.
- U.K. industrial production fell 0.4% month-over-month in May, slower than April's revised 1.0% decline. On a yearly basis, industrial production growth eased to 0.8% in May from 1.6% in the prior month. Manufacturing production advanced 0.4% monthly in May. Annually, growth in manufacturing output moderated to 1.5% from 2.0% in April.
- Eurozone investor confidence dropped 6.1 points to minus 18.7 points in July. The current conditions index shed 3.7 points to a reading of 36.2 points.
- German ZEW Indicator of Economic Sentiment dropped 8.6 points to minus 24.7 points in July, well below the long-term average of 23.2 points. The current conditions index of the survey shed 8.2 points to reach 72.4 points in July.
- France's industrial production dropped a seasonally adjusted 0.2% month-over-month in May, slower than the 0.5% fall in April.
- Japan core machine orders fell 3.7% on month in May - coming in at 907.9 billion yen, following the 10.1% spike in April. On a yearly basis, machine orders surged 16.5% - following the 9.6% jump in the previous month.
- Japan producer prices were up 0.2% on month in June, down from 0.6% in May. On a yearly basis, producer prices advanced 2.8% - up from 2.7% in the previous month.

INDEX	10-JULY-18	09-JULY-18	PTS. CH.	% CHANGE
<b>Dow</b>	24919.66	24776.59	<b>143.07</b>	<b>0.58</b>
<b>Nifty</b>	10947.25	10852.90	<b>94.35</b>	<b>0.87</b>
<b>Sensex</b>	36239.62	35934.72	<b>304.90</b>	<b>0.85</b>
<b>USD/INR</b>	68.83	68.72	<b>0.11</b>	<b>0.15</b>
<b>Dollar Index</b>	93.85	93.81	<b>0.04</b>	<b>0.04</b>
<b>Euro/\$1US</b>	1.1728	1.1751	<b>-0.0023</b>	<b>-0.20</b>
<b>\$1US/¥en</b>	110.85	110.85	<b>0.00</b>	<b>0.00</b>
<b>Pound/\$1US</b>	1.3258	1.3259	<b>-0.0001</b>	<b>-0.01</b>

## MARKET UPDATE

- U.S. stocks marked a fourth straight finish firmly in the green afternoon as Wall Street shifted from consternation over global trade disputes to enthusiasm over coming second-quarter earnings results following a string of strong economic data that has refreshed investor optimism. The S&P 500 index added 9.67 points, or 0.4%, to 2,793.84. The Nasdaq Composite Index edged up 3 points, or less than 0.1%, finishing virtually unchanged at 7,759.20.
- Indian market rose for a third straight session to close at five-month high as investors brushed aside trade worries and looked ahead to a strong quarterly earnings season.

## CURRENCY UPDATE

- Britain's pound pared its recovery gains afternoon trading after Prime Minister Theresa May's government was rattled by additional resignations. The pound briefly rose above \$1.33, but last traded at \$1.3269 up from \$1.3258. Meanwhile, the ICE U.S. Dollar Index bounced 0.1% higher to 94.147.
- The rupee fell by 11 paise to close at 68.83 against the US currency due to fresh buying of the dollar by importers after the greenback rebounded in global markets on waning trade war worries. The rupee opened on a weak note at 68.78 against previous close of 68.72 at the interbank foreign exchange market. It moved to a low of 68.85 per dollar in day trade before closing at 68.82 per dollar, showing a loss of 11 paise or 0.15%. Financial Benchmarks India Private Limited (FBIL), which today took over from RBI the responsibility of computation and dissemination of reference rate for USD/INR and other major currencies, fixed the reference rate at 68.7942.

BULLION	CLOSING		% CH
	10-JULY-18	09-JULY-18	
<b>Gold Aug MCX</b>	30528	30617	<b>-0.29</b>
<b>Gold Aug Comex</b>	1255	1260	<b>-0.33</b>
<b>Silver Sep MCX</b>	39793	39885	<b>-0.23</b>
<b>Silver Sep Comex</b>	16.087	16.139	<b>-0.32</b>
<b>ENERGY</b>			
<b>Crude Oil Jul MCX</b>	5071	5049	<b>0.44</b>
<b>Crude Aug Nymex</b>	74.11	73.85	<b>0.35</b>
<b>Natural Gas Jul MCX</b>	192.20	194.50	<b>-1.18</b>
<b>Nat. Gas Aug Henry Hub</b>	2.788	2.828	<b>-1.41</b>

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	10-JULY-18	09-JULY-18	
<b>SPDR Gold ETF</b>	799.02	800.77	<b>-0.22</b>
<b>iShares Silver Trust</b>	10113.38	10113.38	<b>0.00</b>

NAME OF THE ETF	CLOSING		RATIO
	10-JULY-18		
<b>Gold v/s Silver</b>	1255	16.087	<b>78.04</b>
<b>Gold v/s Crude Oil</b>	1255	74.11	<b>16.94</b>

(IN TONS)	LME INVENTORIES DATA			% Change
	10-JULY-18	09-JULY-18	Change	
<b>Aluminum</b>	1116550	1115250	<b>1300</b>	<b>0.12</b>
<b>Copper</b>	270625	270550	<b>75</b>	<b>0.03</b>
<b>Nickel</b>	263994	265542	<b>-1548</b>	<b>-0.58</b>
<b>Lead</b>	129775	130600	<b>-825</b>	<b>-0.63</b>
<b>Zinc</b>	250000	251950	<b>-1950</b>	<b>-0.77</b>

BASE METALS	CLOSING		% CH
	10-JULY-18	09-JULY-18	
<b>Aluminium Jul</b>	143.25	144.60	<b>-0.93</b>
<b>Copper Aug</b>	433.10	436.70	<b>-0.82</b>
<b>Nickel Jul</b>	971.00	964.30	<b>0.69</b>
<b>Lead Jul</b>	159.00	160.35	<b>-0.84</b>
<b>Zinc Jul</b>	181.35	185.55	<b>-2.26</b>

## ECONOMIC CALENDER

WEDNESDAY JULY 11, 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
2:00 AM	U.S.	<b>API Weekly Crude Oil Stock</b>	<b>-6.796M</b>	-4.324M	-4.500M
5:20 AM	Japan	<b>Core Machinery Orders (YoY) (May)</b>	<b>16.5%</b>	8.6%	9.6%
5:20 AM	Japan	<b>Core Machinery Orders (MoM) (May)</b>	<b>-3.7%</b>	-5.0%	10.1%
5:20 AM	Japan	<b>PPI (MoM) (Jun)</b>	<b>0.2%</b>	0.1%	0.6%
5:20 AM	Japan	<b>PPI (YoY) (Jun)</b>	<b>2.8%</b>	2.8%	2.7%
11:30 AM	Germany	<b>German WPI (YoY) (Jun)</b>			2.9%
11:30 AM	Germany	<b>German WPI (MoM) (Jun)</b>			0.8%
Tentative	China	<b>M2 Money Stock (YoY)</b>		8.4%	8.3%
Tentative	China	<b>New Loans</b>		1,520.0B	1,150.0B
4:50 PM	U.S.	<b>OPEC Monthly Report</b>			
6:00 PM	U.S.	<b>Core PPI (MoM) (Jun)</b>		0.2%	0.3%
6:00 PM	U.S.	<b>Core PPI (YoY) (Jun)</b>		2.6%	2.4%
6:00 PM	U.S.	<b>PPI (YoY) (Jun)</b>		3.2%	3.1%
6:00 PM	U.S.	<b>PPI (MoM) (Jun)</b>		0.2%	0.5%
7:30 PM	U.S.	<b>Wholesale Inventories (MoM) (May)</b>		0.5%	0.5%
7:30 PM	U.S.	<b>Wholesale Trade Sales (MoM)</b>			0.8%
8:00 PM	U.S.	<b>Crude Oil Inventories</b>		-4.489M	1.245M
8:00 PM	U.S.	<b>EIA Weekly Distillates Stocks</b>		1.200M	0.134M
8:00 PM	U.S.	<b>Gasoline Inventories</b>		-0.750M	-1.505M

## 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;

- from time to time, having a long or short position in, and buy or sell the securities of the company (ies) recommended.
- 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