

# COMMODITY

## Report

14 June 2018



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ABOUT THE COMMODITY



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## ECONOMIC / GLOBAL NEWS

- Oil prices climbed, to settle at their highest in almost two weeks, after a U.S. government report revealed a bigger-than-expected decline in domestic crude supplies, which was the largest one-week drop since the end of March. U.S. benchmark July West Texas Intermediate crude rose 28 cents, or 0.42%, to settle at \$66.64 a barrel on the New York Mercantile Exchange. The U.S. Energy Information Administration reported Wednesday that crude supplies fell by 4.1 million barrels for the week ended June 8. Gasoline stockpiles declined by 2.3 million barrels for the week, while distillate stockpiles fell 2.1 million barrels, according to the EIA. MCX Crude Oil June expiry closed at Rs. 4506 per barrel, up 0.63%.
- China's industrial production was up 6.8% on year in May, unchanged from the April reading. The retail sales were up an annual 8.5% in May - down from 9.4% in the previous month. Fixed asset investment gained 6.1% on year in May, unchanged from the April reading.
- China attracted \$9.06 billion in foreign direct investment in May, up 11.7% from a year earlier. Over the first five months of the year, China's FDI rose 3.6% from a year ago to \$52.26 billion.
- China's housing sales for the January-May period rose 12.8% from a year earlier. Housing sales in May rose 23% from a year earlier. That compared with April's rise of 5.3% from a year ago.
- Federal Reserve raised its key interest rate by a quarter point to 2%. In a surprise move, the central bank now projects four interest rate hikes in 2018, rather than three. They continue to see three rate hikes in 2019. The Fed also dropped wording about rates being "below levels" in the long run.
- U.S. producer price index for final demand climbed by 0.5% in May after inching up by 0.1% in April. Core producer prices rose by 0.3% in May after edging up by 0.2% in April. The annual rate of producer price growth accelerated to 3.1% in May from 2.6% in April, climbing to its highest level in over six years. The annual rate of growth in core producer prices also ticked up to 2.6% in May from 2.5% in the previous month.
- U.K. consumer price inflation held steady at 2.4% in May, the lowest since March 2017. Month-on-month, consumer prices gained 0.4% in May. Core inflation also remained stable in May, at 2.1%.
- U.K. input price inflation accelerated more-than-expected to 9.2% in May from 5.6% a month ago. Likewise, monthly inflation advanced to 2.8% from 0.6%. At the same time, output price inflation climbed to 2.9% annually. Month-on-month, prices registered a steady increase of 0.4%.
- U.K. house price index climbed 3.9% year-over-year in April, slower than March's 4.2% rise.
- U.K. RICS house price balance rose to -3 in May from -7 in April.
- Eurozone employment rose 0.4% sequentially in the March quarter, just above the 0.3% increase in the previous month. On an annual basis, employment growth eased to 1.4% in the first quarter from 1.6% in the December quarter.
- Eurozone industrial production fell 0.9% month-over-month in April, reversing a 0.6% increase in March, which revised up from 0.5%. On a yearly basis, industrial production growth eased to 1.7% in April from 3.2% in the previous month. The March figure was revised up from 3.0%.
- Australia's unemployment rate came in at a seasonally adjusted 5.4% in May, down from 5.6% in April. The Australian economy added 12,000 jobs last month to 12,518,300 - following the addition of 22,600 a month earlier.
- Japan's industrial production climbed 0.5% month-over-month in April. In March, industrial production had grown 1.4%. On a yearly basis, industrial production grew 2.6% in April.
- India's January-March quarter recorded a current account deficit of \$13 billion or 1.9% of GDP compared to 0.4% in the same quarter of last year.

INDEX	13-JUNE-18	12-JUNE-18	PTS. CH.	% CHANGE
<b>Dow</b>	25203.47	25320.73	<b>-117.26</b>	<b>-0.46</b>
<b>Nifty</b>	10856.70	10842.85	<b>13.85</b>	<b>0.13</b>
<b>Sensex</b>	35739.16	35692.52	<b>46.64</b>	<b>0.13</b>
<b>USD/INR</b>	67.64	67.48	<b>0.16</b>	<b>0.24</b>
<b>Dollar Index</b>	93.56	93.80	<b>-0.24</b>	<b>-0.26</b>
<b>Euro/\$1US</b>	1.1803	1.1745	<b>0.0058</b>	<b>0.49</b>
<b>\$1US/¥en</b>	110.24	110.38	<b>-0.14</b>	<b>-0.13</b>
<b>Pound/\$1US</b>	1.3382	1.3372	<b>0.0010</b>	<b>0.07</b>

## MARKET UPDATE

- U.S. stock benchmarks ended near session lows as the Federal Reserve completed its second increase to benchmark interest rates in 2018, as expected, but signaled a slightly more aggressive plan to tighten monetary policy this year than had previously been projected. The S&P 500 fell 11.22 points, or 0.4%, at 2,775.63. The Nasdaq Composite Index meanwhile, shed 8.09 points, or 0.1%, at 7,695.70.
- Amid a divergent trend among various index constituents, the Indian market settled with small gains amid volatility.

## CURRENCY UPDATE

The U.S. dollar spiked after the Federal Reserve lifted interest rates by 25 basis points on Wednesday but soon slipped back into negative territory as the euphoria failed to stick. The ICE U.S. Dollar Index was last down 0.1% at 93.669. The broader measure of the WSJ Dollar Index was little changed at 87.25. The dollar's main rival, the euro strengthened to \$1.1779, up from \$1.1745.

The rupee slid further by 16 paise to close at near one-week low of 67.64 against the US currency on sustained dollar demand ahead of the key US Federal Reserve's decision on rate hike. The domestic currency opened weak at 67.62 per dollar and oscillated between 67.55 and 67.71 during the day amid suspected dollar selling by the central bank. The rupee opened sharply lower at 67.62 from previous close of 67.48. It kept descending, weighed down by firm dollar overseas to hit an intra-day low of 67.71 before ending at 67.64, showing a loss of 16 paise, 0.24%. The RBI fixed the reference rate for the dollar at 67.6251.

BULLION	CLOSING		% CH
	13-JUNE-18	12-JUNE-18	
<b>Gold Aug MCX</b>	31143	31156	<b>-0.04</b>
<b>Gold Aug Comex</b>	1301	1299	<b>0.15</b>
<b>Silver Jul MCX</b>	40766	40691	<b>0.18</b>
<b>Silver Jul Comex</b>	16.991	16.891	<b>0.59</b>
<b>ENERGY</b>			
<b>Crude Oil Jun MCX</b>	4506	4478	<b>0.63</b>
<b>Crude Jul Nymex</b>	66.64	66.36	<b>0.42</b>
<b>Natural Gas Jun MCX</b>	200.00	198.50	<b>0.76</b>
<b>Nat. Gas Jul Henry Hub</b>	2.963	2.939	<b>0.82</b>

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	13-JUNE-18	12-JUNE-18	
<b>SPDR Gold ETF</b>	828.76	828.76	<b>0.00</b>
<b>iShares Silver Trust</b>	9824.92	9868.83	<b>-0.44</b>

NAME OF THE ETF	CLOSING		RATIO
	13-JUNE-18		
<b>Gold v/s Silver</b>	1301	16.991	<b>76.59</b>
<b>Gold v/s Crude Oil</b>	1301	66.64	<b>19.53</b>

(IN TONS)	LME INVENTORIES DATA			% Change
	13-JUNE-18	12-JUNE-18	Change	
<b>Aluminum</b>	1153875	1162650	<b>-8775</b>	<b>-0.75</b>
<b>Copper</b>	293450	295725	<b>-2275</b>	<b>-0.77</b>
<b>Nickel</b>	277014	277986	<b>-972</b>	<b>-0.35</b>
<b>Lead</b>	132625	132750	<b>-125</b>	<b>-0.09</b>
<b>Zinc</b>	245150	246900	<b>-1750</b>	<b>-0.71</b>

BASE METALS	CLOSING		% CH
	13-JUNE-18	12-JUNE-18	
<b>Aluminium Jun</b>	154.85	156.35	<b>-0.96</b>
<b>Copper Jun</b>	485.05	484.60	<b>0.09</b>
<b>Nickel Jun</b>	1054.20	1029.00	<b>2.45</b>
<b>Lead Jun</b>	167.65	166.55	<b>0.66</b>
<b>Zinc Jun</b>	218.60	217.45	<b>0.53</b>

## ECONOMIC CALENDER

THURSDAY JUNE 14, 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
4:31 AM	U.K.	<b>RICS House Price Balance (May)</b>	<b>-3%</b>	-5%	-8%
7:00 AM	Australia	<b>Employment Change (May)</b>	<b>12.0K</b>	18.0K	22.6K
7:00 AM	Australia	<b>Unemployment Rate (May)</b>	<b>5.4%</b>	5.5%	5.6%
7:30 AM	China	<b>FDI</b>	<b>1.30%</b>		0.10%
7:30 AM	China	<b>Fixed Asset Investment (YoY) (May)</b>	<b>6.1%</b>	7.0%	7.0%
7:30 AM	China	<b>Industrial Production (YoY) (May)</b>	<b>6.8%</b>	6.9%	7.0%
7:30 AM	China	<b>Retail Sales (YoY) (May)</b>	<b>8.5%</b>	9.6%	9.4%
10:00 AM	Japan	<b>Industrial Production (MoM) (Apr)</b>	<b>0.5%</b>	0.3%	0.3%
11:30 AM	Germany	<b>German CPI (YoY) (May)</b>		2.2%	2.2%
11:30 AM	Germany	<b>German CPI (MoM) (May)</b>		0.5%	0.5%
12:00 PM	India	<b>WPI Food (YoY) (May)</b>			0.87%
12:00 PM	India	<b>WPI Fuel (YoY) (May)</b>			7.85%
12:00 PM	India	<b>WPI Inflation (YoY) (May)</b>		3.76%	3.18%
12:00 PM	India	<b>WPI Manufacturing Inflation (YoY) (May)</b>			3.11%
12:15 PM	Eurozone	<b>French CPI (MoM) (May)</b>		0.4%	0.2%
12:15 PM	Eurozone	<b>French CPI (YoY)</b>		2.0%	2.0%
12:15 PM	Eurozone	<b>French HICP (MoM) (May)</b>		0.4%	0.2%
12:15 PM	Eurozone	<b>French HICP (YoY) (May)</b>		2.3%	2.3%
2:00 PM	U.K.	<b>Core Retail Sales (YoY) (May)</b>		2.5%	1.5%
2:00 PM	U.K.	<b>Core Retail Sales (MoM) (May)</b>		0.3%	1.3%
2:00 PM	U.K.	<b>Retail Sales (YoY) (May)</b>		2.4%	1.4%
2:00 PM	U.K.	<b>Retail Sales (MoM) (May)</b>		0.5%	1.6%
5:15 PM	Eurozone	<b>Deposit Facility Rate</b>		-0.40%	-0.40%
5:15 PM	Eurozone	<b>ECB Marginal Lending Facility</b>		0.25%	0.25%
5:15 PM	Eurozone	<b>ECB Interest Rate Decision (Jun)</b>		0.00%	0.00%
6:00 PM	U.S.	<b>Continuing Jobless Claims</b>		1,737K	1,741K
6:00 PM	U.S.	<b>Core Retail Sales (MoM) (May)</b>		0.5%	0.3%
6:00 PM	U.S.	<b>Export Price Index (YoY)</b>		4.4%	3.8%
6:00 PM	U.S.	<b>Export Price Index (MoM) (May)</b>		0.3%	0.6%
6:00 PM	U.S.	<b>Import Price Index (YoY)</b>		3.0%	3.3%
6:00 PM	U.S.	<b>Import Price Index (MoM) (May)</b>		0.5%	0.3%
6:00 PM	U.S.	<b>Initial Jobless Claims</b>		223K	222K
6:00 PM	U.S.	<b>Retail Sales (MoM) (May)</b>		0.4%	0.2%
7:30 PM	U.S.	<b>Business Inventories (MoM) (Apr)</b>		0.3%	0.0%
8:00 PM	U.S.	<b>Natural Gas Storage</b>		90B	92B

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