

COMMODITY

Report

14 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
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ECONOMIC / GLOBAL NEWS

- Oil futures fell sharply, with U.S. benchmark prices dropping back from the nearly two-month high seen a day earlier, as an industry report showed global supplies at a record and Hurricane Florence weakened ahead of its expected landfall on the East Coast. October futures on West Texas Intermediate crude the U.S. benchmark, fell \$1.78, or 2.53%, to settle at \$68.59 a barrel, a day after marking the highest settlement since July 20 at \$70.37. MCX Crude Oil October expiry closed at Rs. 4922 per barrel, down 3.24%.
- China retail sales spiked 9.0% on year in August, unchanged from the July reading. The bureau also said that industrial production advanced an annual 6.1% - up from 6.0% in the previous month. Fixed asset investment was up 5.3% on year, down from 5.5% a month earlier. Finally, the jobless rate came in at 5.0% - down from 5.1% in July.
- China's foreign direct investment rose 2.3% year-on-year to 560.43 billion yuan (81.82 billion US dollars) in the first eight months this year.
- U.S. initial jobless claims dipped to 204,000 in the week ended September 8th, a decrease of 1,000 from the previous week's revised level of 205,000. Continuing claims also fell by 15,000 to 1.696 million in the week ended September 1st.
- U.S. consumer price index rose by 0.2% in August, matching the increase seen in July. Core consumer prices inched up by 0.1% in August after rising by 0.2% for three straight months. Annual rate of consumer price growth slowed to 2.7% in August from 2.9% in July. Core consumer prices were up by 2.2% year-over-year in August compared to the 2.4% increase in the previous month.
- U.S. government had a \$214 billion budget deficit in August. That compared to a budget deficit of \$108 billion in the same month last year.
- The EIA reported that domestic supplies of natural gas rose by 69 billion cubic feet for the week ended Sept. 7.
- Bank of England policymakers unanimously decided to maintain the monetary policy stance, after resorting to a quarter-point rate hike in August. The Monetary Policy Committee, led by Governor Mark Carney, voted 9-0 to keep the key rate unchanged at 0.75%. The committee also unanimously decided to maintain the quantitative easing through asset purchases at GBP 435 billion.
- European Central Bank kept its interest rates unchanged, the main refi rate is currently at a record low zero% and the deposit rate at -0.40%. The marginal lending facility rate is 0.25%.
- Germany's consumer price inflation remained stable at 2% in August. The rate reached the 2% mark for the fourth consecutive month. On a monthly basis, the consumer price index edged up 0.1% in August, slower than July's 0.3% increase.
- France's consumer price inflation came in at 2.3%, the same rate as registered in July, remained unchanged at 2.6% in August. On month, consumer prices gained 0.5% after a slight downturn in July.

INDEX	13-SEP-18	12-SEP-18	PTS. CH.	% CHANGE
Dow	26145.99	25998.92	147.07	0.57
Nifty	CLOSED	11369.90	-	-
Sensex	CLOSED	37717.96	-	-
USD/INR	CLOSED	72.17	-	-
Dollar Index	94.53	94.77	-0.24	-0.25
Euro/\$1US	1.1691	1.1626	0.0065	0.56
\$1US/¥en	112.03	111.27	0.76	0.68
Pound/\$1US	1.3110	1.3048	0.0062	0.48

MARKET UPDATE

- U.S. stocks closed higher, with the S&P 500 up for a fourth straight session on the back of strong technology shares. News that China may be receptive to overtures from the U.S. on new talks also soothed trade-related jitters. The S&P 500 rose 15.26 points, or 0.5%, to 2,904.18 and the Nasdaq Composite Index climbed 59.48 points, or 0.8% to finish at 8,013.71.
- Indian market closed on **14th September, 2018** on account of "Ganesh Chaturthi".

BULLION	CLOSING		% CH
	13-SEP-18	12-SEP-18	
Gold Oct MCX	30450	30651	-0.66
Gold Dec Comex	1208	1211	-0.22
Silver Dec MCX	37061	37283	-0.60
Silver Dec Comex	14,244	14,293	-0.34
ENERGY			
Crude Oil Oct MCX	4922	5087	-3.24
Crude Oct Nymex	68.59	70.37	-2.53
Natural Gas Sep MCX	203.00	204	-0.44
Nat. Gas Oct Henry Hub	2.817	2.829	-0.42

CURRENCY UPDATE

The U.S. dollar weakened against many of its major rivals following a lower-than-expected reading for consumer price inflation. The ICE U.S. Dollar Index was last down 0.3% at 94.539. The British pound rose to a six-week high of \$1.3106, compared with \$1.3048, ahead of the decision. The euro rose to \$1.1691 from \$1.1627, hitting a two-week high.

Indian currency market closed on **14th September, 2018** on account of "Ganesh Chaturthi".

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	13-SEP-18	12-SEP-18	
SPDR Gold ETF	742.53	745.18	-0.36
iShares Silver Trust	10418.84	10377.90	0.39

NAME OF THE ETF	CLOSING		RATIO
	13-SEP-18		
Gold v/s Silver	1208	14,244	84.82
Gold v/s Crude Oil	1208	68.59	17.61

(IN TONS)	LME INVENTORIES DATA			% Change
	13-SEP-18	12-SEP-18	Change	
Aluminum	1051200	1052975	-1775	-0.17
Copper	225125	233025	-7900	-3.39
Nickel	233988	235836	-1848	-0.78
Lead	119425	120300	-875	-0.73
Zinc	221325	227300	-5975	-2.63

BASE METALS	CLOSING		% CH
	13-SEP-18	12-SEP-18	
Aluminium Sep	145.45	146.10	-0.44
Copper Nov	428.75	429.75	-0.23
Nickel Sep	901.10	905.60	-0.50
Lead Sep	146.10	146.15	-0.03
Zinc Sep	168.45	172.40	-2.29

ECONOMIC CALENDER

FRIDAY SEPTEMBER 14 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
7:30 AM	China	Fixed Asset Investment (YoY) (Aug)	5.3%	5.5%	5.5%
7:30 AM	China	Industrial Production (YoY) (Aug)	6.1%	6.0%	6.0%
7:30 AM	China	Retail Sales (YoY) (Aug)	9.0%	8.8%	8.8%
7:30 AM	China	Chinese Unemployment Rate	5.0%		5.1%
10:00 AM	Japan	Industrial Production (MoM) (Jul)	-0.2%	-0.1%	-0.1%
12:00 PM	India	WPI Food (YoY) (Aug)			-2.16%
12:00 PM	India	WPI Fuel (YoY) (Aug)			18.10%
12:00 PM	India	WPI Inflation (YoY) (Aug)		4.65%	5.09%
12:00 PM	India	WPI Manufacturing Inflation (YoY) (Aug)			4.26%
2:30 PM	Eurozone	Trade Balance (Jul)		18.0B	22.5B
5:00 PM	India	Bank Loan Growth			12.9%
5:00 PM	India	Deposit Growth			8.3%
5:00 PM	India	FX Reserves, USD			400.10B
6:00 PM	U.S.	Core Retail Sales (MoM) (Aug)		0.5%	0.6%
6:00 PM	U.S.	Export Price Index (MoM) (Aug)		0.1%	-0.5%
6:00 PM	U.S.	Import Price Index (MoM) (Aug)		-0.2%	0.0%
6:00 PM	U.S.	Retail Sales (MoM) (Aug)		0.4%	0.5%
6:45 PM	U.S.	Industrial Production (MoM) (Aug)		0.3%	0.1%
6:45 PM	U.S.	Manufacturing Production (MoM) (Aug)		0.3%	0.3%
7:30 PM	U.S.	Business Inventories (MoM) (Jul)		0.5%	0.1%
7:30 PM	U.S.	Michigan Consumer Sentiment (Sep)		96.7	96.2

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