

# COMMODITY

## Report

16 August 2018



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NEED TO KNOW  
ABOUT THE COMMODITY



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## ECONOMIC / GLOBAL NEWS

- Oil futures fell sharply, leaving the U.S. benchmark with its lowest close in 10 weeks after data showed an unexpected and surge in U.S. crude inventories. West Texas Intermediate crude for September delivery on the New York Mercantile Exchange fell \$2.03, or 3.03%, to settle at \$65.01 a barrel, its lowest finish since June 6. The Energy Information Administration said crude inventories rose 6.8 million barrels in the week ended Aug. 10. Gasoline inventories fell by 740,000 barrels while Distillate stocks, including heating oil and diesel fuel, however, rose by 3.6 million barrels versus forecasts for a rise of 700,000.
- U.S. retail sales rose by 0.5% in July compared to economist estimates for a 0.1% uptick. Core retail sales climbed by 0.6% in July after rising by 0.2% in June.
- U.S. industrial production inched up by 0.1% in July after jumping by an upwardly revised 1.0% in June. Manufacturing output rose by 0.3% in July after climbing by 0.8% in June.
- U.S. import prices were unchanged in July after edging down by a revised 0.1% in June. Export prices fell by 0.5% in July after rising by a downwardly revised 0.2% in June. Compared to the same month a year ago, import prices were up by 4.8% in July, while export prices were up by 4.3%.
- U.S. business inventories crept up by 0.1% in June after rising by a downwardly revised 0.3% in May.
- The American Petroleum Institute reported that U.S. crude supplies rose by 3.66 million barrels for the week ended Aug. 10. The API data also showed supplies of gasoline dropped 1.56 million barrels, while distillate stockpiles rose 1.94 million barrels.
- U.K. consumer prices climbed 2.5% year-on-year in July. Inflation had remained at 2.4% over the last three months. Core inflation held steady at 1.9% in July. On a monthly basis, overall consumer prices remained flat in July.
- U.K. output price inflation eased to 3.1% from 3.3% in the previous month. The annual rate has remained positive since July 2016. Month-on-month, output prices remained unchanged, while economists had forecast a 0.2% rise after 0.3% increase posted in June. At the same time, input price inflation came in at 10.9% versus 10.3% in June and the forecast of 10.4%. Monthly inflation accelerated to 0.5% from 0.3%, while it was forecast to slow to 0.1%.
- U.K. house prices rose 3% year-on-year in July after a 3.5% gain in May.
- U.K. ILO jobless rate came in at 4% in the second quarter, the lowest since February 1975. The claimant count rate remained unchanged at 2.5% in July and the number of people claiming unemployment benefits increased by 6,200 from the previous month.
- Eurozone gross domestic product climbed 0.4% sequentially in the first quarter. On a yearly basis, GDP growth eased less-than-estimated to 2.2% from 2.5% a quarter ago.
- Eurozone industrial output fell 0.7% on month in June, reversing May's 1.4% rise. Year-on-year, industrial production growth slowed marginally to 2.5% in June from 2.6% in May.
- Eurozone ZEW economic sentiment index improved to -11.1 in August from -18.7 in the previous month. Meanwhile, the current situation index fell 6.2 points to 30.0.
- Germany's gross domestic product climbed 0.5% sequentially in the second quarter, following the revised 0.4% increase in the first quarter. On a yearly basis, GDP advanced at a faster pace of 2.3% after expanding 1.4% a quarter ago.
- Germany's consumer price inflation moderated to a 3-month low of 2.0% in July from 2.1% in June. On a monthly basis, consumer prices increased 0.3% in July.
- Germany's ZEW Economic Sentiment climbed notably to -13.7 in August from -24.7 in July. The current conditions index of the survey rose only 0.2 points to 72.6 in August.
- France's consumer price inflation rose 2.3% year-on-year in July after a 2% increase in June. Month-on-month, prices dropped 0.1% in July.
- France's average overall ILO jobless rate came in at 9.1% versus 9.2% in the first quarter.
- Australia's jobless rate came in at a seasonally adjusted 5.3% in July, unchanged from June. The Australian economy shed 3,900 jobs last month to 12,575,200 - following the gain of 50,900 in the previous month.
- Japan posted a merchandise trade deficit of 231.2 billion yen in July, following the downwardly revised 720.8 billion yen surplus in June (originally 721.4 billion yen). Exports were up 3.9% on year to 6.747 trillion yen, down from 6.7% in the previous month. Imports surged an annual 14.6% to 6.978 trillion yen following the upwardly revised 2.6% gain a month earlier (originally 2.5%). The adjusted trade deficit was 45.6 billion yen, down sharply from the 683.1 billion yen surplus a month earlier.
- India's wholesale price inflation climbed 5.09% year-over-year in July, slower than the 5.77% rise in June. On a monthly basis, wholesale prices increased 0.4% in July. The food articles deflated by (-) 2.16% from a rise of 1.80%. The fuel and power category increased at a faster pace of 18.10% from a growth of 16.18%. Manufactured products registered a rise of 4.26% from 4.17%.
- India's exports rose by 14.32% to USD 25.77 billion in July, the merchandise exports had totalled USD 22.54 billion in July 2017. Imports during July were valued at USD 43.79 billion, a growth of 28.81% compared to USD 33.99 billion in the year ago period. The sharp surge in imports led to worsening of trade deficit to USD 18.02 billion in the reporting month as against a deficit of USD 11.45 billion during July 2017.

INDEX	15-AUG-18	14-AUG-18	PTS. CH.	% CHANGE
<b>Dow</b>	25162.41	25299.92	<b>-137.51</b>	<b>-0.54</b>
<b>Nifty</b>	CLOSED	11435.10	-	-
<b>Sensex</b>	CLOSED	37852.00	-	-
<b>USD/INR</b>	CLOSED	69.90	-	-
<b>Dollar Index</b>	96.59	96.61	<b>-0.02</b>	<b>-0.02</b>
<b>Euro/\$1US</b>	1.1342	1.1344	<b>-0.0002</b>	<b>-0.02</b>
<b>\$1US/Yen</b>	110.57	111.16	<b>-0.59</b>	<b>-0.53</b>
<b>Pound/\$1US</b>	1.2693	1.2725	<b>-0.0032</b>	<b>-0.25</b>

## MARKET UPDATE

- U.S. stocks came off intraday lows but still closed down as worries surrounding Turkey's currency crisis and continued trade tensions weighed on investors' confidence. The S&P 500 index dropped 21.59 points, or 0.8%, to 2,818.37. The Nasdaq Composite Index declined 96.78 points, or 1.2%, to 7,774.12.
- Indian market closed on **15th August, 2018** on account of "Independence Day".

## CURRENCY UPDATE

- Turkey's embattled lira continued to rebound Wednesday for a second straight session, even as the animosity between Ankara and Washington appeared to escalate. The U.S. Dollar Index last stood at 96.705. The WSJ Dollar Index was down 0.1% at 90.29. The dollar's European rivals meanwhile steadily declined and both the euro and the British pound hit their lowest levels since late June late year on Wednesday. One euro last bought \$1.1345, having recovered from an earlier session low of \$1.1301, while the sterling fetched \$1.2694 versus \$1.2721 in the prior session.
- Indian currency market closed on **15th August, 2018** on account of "Independence Day".

BULLION	CLOSING		% CH
	15-AUG-18	14-AUG-18	
Gold Oct MCX	CLOSED	29735	-
Gold Dec Comex	1185	1201	-1.31
Silver Sep MCX	CLOSED	37799	-
Silver Sep Comex	14.454	15.053	-3.98
<b>ENERGY</b>			
Crude Oil Aug MCX	4684	4684	-
Crude Sep Nymex	65.01	67.04	-3.03
Natural Gas Aug MCX	207.60	207.60	-
Nat. Gas Sep Henry Hub	2.940	2.959	-0.64

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	15-AUG-18	14-AUG-18	
SPDR Gold ETF	776.65	776.65	0.00
iShares Silver Trust	10177.78	10177.78	0.00

NAME OF THE ETF	CLOSING		RATIO
	15-AUG-18		
Gold v/s Silver	1185	14.454	81.98
Gold v/s Crude Oil	1185	65.01	18.23

(IN TONS)	LME INVENTORIES DATA			% Change
	15-AUG-18	14-AUG-18	Change	
Aluminum	1131275	1135925	-4650	-0.41
Copper	257625	254875	2750	1.08
Nickel	248328	248712	-384	-0.15
Lead	125425	122175	3250	2.66
Zinc	253250	256175	-2925	-1.14

BASE METALS	CLOSING		% CH
	15-AUG-18	14-AUG-18	
Aluminium Aug	CLOSED	144.30	-
Copper Aug	CLOSED	416.05	-
Nickel Aug	CLOSED	936.70	-
Lead Aug	CLOSED	144.85	-
Zinc Aug	CLOSED	171.80	-

## ECONOMIC CALENDER

Thursday AUGUST 16, 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
5:20 AM	Japan	Adjusted Trade Balance	-0.05T	0.02T	0.07T
5:20 AM	Japan	Exports (YoY) (Jul)	3.9%	6.3%	6.7%
5:20 AM	Japan	Imports (YoY) (Jul)	14.6%	14.4%	2.6%
5:20 AM	Japan	Trade Balance (Jul)	-231B	-50B	721B
7:00 AM	Australia	Employment Change (Jul)	-3.9K	15.0K	50.9K
7:00 AM	Australia	Unemployment Rate (Jul)	5.3%	5.4%	5.4%
11:30 AM	Germany	German WPI (MoM) (Jul)		0.5%	0.5%
11:30 AM	Germany	German WPI (YoY) (Jul)			3.4%
Tentative	China	FDI			1.10%
2:00 PM	U.K.	Core Retail Sales (MoM) (Jul)		0.1%	-0.6%
2:00 PM	U.K.	Core Retail Sales (YoY) (Jul)		2.8%	3.0%
2:00 PM	U.K.	Retail Sales (MoM) (Jul)		0.2%	-0.5%
2:00 PM	U.K.	Retail Sales (YoY) (Jul)		3.0%	2.9%
2:30 PM	Eurozone	Trade Balance (Jun)		18.0B	16.5B
6:00 PM	U.S.	Building Permits (Jul)		1.310M	1.292M
6:00 PM	U.S.	Building Permits (MoM) (Jul)		1.4%	-0.7%
6:00 PM	U.S.	Continuing Jobless Claims		1,750K	1,755K
6:00 PM	U.S.	Housing Starts (Jul)		1.270M	1.173M
6:00 PM	U.S.	Housing Starts (MoM) (Jul)		7.4%	-12.3%
6:00 PM	U.S.	Initial Jobless Claims		215K	213K
8:00 PM	U.S.	Natural Gas Storage		31B	46B

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