

COMMODITY

Report

20 June 2018



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ABOUT THE COMMODITY



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ECONOMIC / GLOBAL NEWS

- Oil prices settled with a loss on expectations that OPEC and other major oil producers will announce a decision later this week to raise production. West Texas Intermediate crude for August delivery lost 79 cents, or 1.2%, to settle at \$64.90 a barrel on the New York Mercantile Exchange. MCX Crude Oil July expiry closed at Rs. 4419 per barrel, down 1.54%.
- U.S. housing starts soared by 5.0% to an annual rate of 1.350 million in May after tumbling by 3.1% to a revised rate of 1.286 million in April. Building permits, an indicator of future housing demand, had been expected to edge down by 0.1% to a rate of 1.350 million from the 1.352 million originally reported for the previous month.
- The American Petroleum Institute reported that U.S. crude supplies fell by 3 million barrels for the week ended June 15. The API data, however, showed a climb of 2.1 million barrels in gasoline stockpiles, while inventories of distillates rose by 750,000 barrels.
- Eurozone construction output advanced 1.8% month-over-month in April, reversing a revised 0.2% drop in March. On a yearly basis, growth in construction output accelerated to 1.8% in April from 1.2% in the prior month, which was revised up from 0.8% reported earlier.
- Eurozone current account surplus fell to EUR 28.4 billion in April from EUR 32.8 billion in March. On an unadjusted basis, the current account surplus declined sharply to EUR 26.2 billion from EUR 41.3 billion in March.
- Hong Kong's unemployment rate came in at 2.8% in the March to May period, the same rate as in three months to April. On an unadjusted basis, the number of unemployed people totaled 112,300 in March to May, down from 112,900 in February to April.
- Sweden's jobless rate dropped to 6.5% in May from 6.8% in April. In the corresponding month last year, the rate was 7.2%. The number of unemployed people declined to 352,000 in May from 366,000 in the prior month.

INDEX	19-JUNE-18	18-JUNE-18	PTS. CH.	% CHANGE
Dow	24700.35	24987.47	-287.12	-1.15
Nifty	10710.45	10799.85	-89.40	-0.83
Sensex	35286.74	35548.26	-261.52	-0.74
USD/INR	68.38	67.98	0.40	0.59
Dollar Index	94.65	94.86	-0.21	-0.22
Euro/\$1US	1.1588	1.1623	-0.0035	-0.30
\$1US/¥en	110.09	110.55	-0.46	-0.42
Pound/\$1US	1.3173	1.3244	-0.0071	-0.54

MARKET UPDATE

- U.S. stocks finished in the red, albeit off session lows, as investors shed stocks following President Donald Trump's late-Monday threat to slap an additional \$400 billion in tariffs on China goods. The announcement represented the latest escalation in a tit-for-tat dispute between the No. 1 and 2 largest economies in the world, rattling investors. The S&P 500 fell 11.18 points, or 0.4%, to 2,762.57. The Nasdaq Composite Index shed 21.44 points to 7,725.59, a drop of 0.3%.
- Indian market finished with modest losses on weak global cues as the trade spat between the US and China intensified. Unabated capital outflows by foreign funds too dampened sentiment.

CURRENCY UPDATE

Japan's yen and the U.S. dollar strengthened against their major rivals on Tuesday, as the escalating trade conflict between the world's two biggest economies sent investors scrambling for safer assets. The Japanese yen bought ¥110.06, down from ¥110.55, touching a one-week low, while the euro fetched ¥127.45, compared with ¥128.50. The dollar fared well against most currencies other than the yen, helping lift the U.S. ICE Dollar Index 0.3% to 95.039. The broader WSJ Dollar Index was up 0.2% at 88.23. The euro dropped to \$1.1580 from \$1.1624.

The rupee nosedived 40 paise to hit a near one-month low of 68.38 against the US dollar as escalating trade threats between the world's two biggest economies continued to spiral. The home currency crumbled to hit an intra-day low of 68.39. Earlier, the rupee opened almost flat at 67.98 from overnight close of 67.98. But, later suffering in a deeper risk-off reaction, the local unit descended sharply to hit a low of 68.39 before ending at 68.38, showing a steep loss of 40 paise, or 0.59%. The RBI fixed the reference rate for the dollar at 68.1511.

BULLION	CLOSING		% CH
	19-JUNE-18	18-JUNE-18	
Gold Aug MCX	30891	30974	-0.27
Gold Aug Comex	1279	1280	-0.12
Silver Jul MCX	39688	40020	-0.83
Silver Jul Comex	16.323	16.440	-0.71
ENERGY			
Crude Oil Jul MCX	4419	4488	-1.54
Crude Aug Nymex	64.90	65.69	-1.20
Natural Gas Jun MCX	197.40	201.40	-1.99
Nat. Gas Jul Henry Hub	2.900	2.951	-1.73

NAME OF THE ETF	HOLDINGS IN TONNES AS ON		% CH
	19-JUNE-18	18-JUNE-18	
SPDR Gold ETF	828.76	828.76	0.00
iShares Silver Trust	9769.30	9769.30	0.00

NAME OF THE ETF	CLOSING		RATIO
	19-JUNE-18		
Gold v/s Silver	1279	16.323	78.33
Gold v/s Crude Oil	1279	64.90	19.70

(IN TONS)	LME INVENTORIES DATA			% Change
	19-JUNE-18	18-JUNE-18	Change	
Aluminum	1136925	1139575	-2650	-0.23
Copper	294550	294275	275	0.09
Nickel	275658	275712	-54	-0.02
Lead	131575	131600	-25	-0.02
Zinc	246525	245375	1150	0.47

BASE METALS	CLOSING		% CH
	19-JUNE-18	18-JUNE-18	
Aluminium Jun	149.00	152.45	-2.26
Copper Jun	458.50	468.75	-2.19
Nickel Jun	998.90	1016.60	-1.74
Lead Jun	164.05	165.80	-1.06
Zinc Jun	205.95	210.90	-2.35

ECONOMIC CALENDER

WEDNESDAY JUNE 20, 2018

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS
2:00 AM	U.S.	API Weekly Crude Oil Stock	-3.016M	-1.033M	0.833M
5:20 AM	Japan	Monetary Policy Meeting Minutes			
11:30 AM	Germany	German PPI (MoM) (May)		0.4%	0.5%
11:30 AM	Germany	German PPI (YoY) (May)		2.5%	2.0%
3:30 PM	U.K.	CBI Industrial Trends Orders (Jun)		1	-3
5:00 PM	India	M3 Money Supply			10.7%
6:00 PM	U.S.	Current Account (Q1)		-129.0B	-128.2B
7:30 PM	U.S.	Existing Home Sales (May)		5.55M	5.46M
7:30 PM	U.S.	Existing Home Sales (MoM) (May)		1.5%	-2.5%
8:00 PM	U.S.	Crude Oil Inventories		-1.898M	-4.143M
8:00 PM	U.S.	EIA Weekly Distillates Stocks		-0.164M	-2.101M
8:00 PM	U.S.	Gasoline Inventories		0.188M	-2.271M

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